

Islands Trust
Annual Report

2014-2015

preserving island communities, culture and environment



Islands Trust

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Message from the Islands Trust Council Chair

British Columbia's local government elections were in November 2014, making fiscal year 2014-2015 a transitional time for Trust Council and local trust committees. Thirteen trustees from the 2011-2014 term were re-elected and three returned who had served in earlier terms. Ten trustees were elected for the first time. I am grateful to all of the trustees for their willingness to serve their communities and the whole Trust Area in this important way.

In December 2014, trustees elected the Chair and three vice-chairs who will serve for the next four years on the Executive Committee. I am honoured to be elected as Chair and to share Executive Committee duties with George Grams of Salt Spring Island, Laura Busheikin of Denman Island and Susan Ann Morrison of Lasqueti Island. (More detail on election results and trustees provided on page 15)

I would also like to express my gratitude to the many trustees who served so generously in the 2011-2014 term, in particular the significant contribution of Sheila Malcolmson (Gabriola Island) whose 12-year term included six years as Chair of Trust Council. I would also like to recognize my fellow vice-chairs of the outgoing Executive Committee, David Graham (Denman Island) who served for nine years as trustee and Ken Hancock (North Pender Island) who served six years.

The Executive Committee started the new term focused on developing the strategic plan that will set Trust Council's goals and guide our activities for the next four years.

Cooperating with Others

Our provincial mandate to preserve and protect relies on the cooperative efforts of many government agencies, First Nations and community organizations. Under the Islands Trust Act, one of Trust Council's roles is to inform B.C. government agencies when their policies affect the preservation and protection of the unique amenities and environment of the Islands Trust Area. I am proud of the quality of our staff's research and our commitment to partnership-building with all who share our concerns about threats to the environment and economy of the islands. Our continued effectiveness at inter-agency meetings and correspondence to ministers is an important part of upholding our mandate. The highest priority goes to topics addressed in the Trust Policy Statement, topics being debated in the legislature and topics trustees hear about from islanders during town hall sessions, at Trust Council and at local trust committee meetings.

As an avid SCUBA diver, I am particularly proud of our work in [mapping the shorelines](#) of all our Islands in the Salish Sea and our work to reduce threats to our marine environment, such as derelict vessels, shipping safety and the increasing industrialization of Howe Sound. We also have a continued focus on the socio-economic well-being of island communities by advocating for the protection of agricultural land and the reduction of BC Ferries' fares. You can read the Chair's advocacy letters from 2014 and 2015 [here](#). More detailed information on our advocacy initiatives is also found on page 10.

We hope to finalize our priority goals and objectives for the new term at our September 2015 meeting with the adoption of Trust Council's 2014-2018 Strategic Plan. Potential strategic priorities for Council might include improving governance and cost effectiveness and improving relationships with First Nations.

Community Stewardship Awards 2014

Each year, the Islands Trust recognizes individuals and groups who support the Islands Trust mandate with significant contributions towards preserving the community, culture or the natural environment of an island. In 2014, we received nominations for five individuals/couples and two groups.

The individual awards went to David Denning of Salt Spring Island for inspiring people about Salt Spring Island's natural world; Brian Hollingshead of Saturna Island for championing coastal ferry services; Paul and Monica Petrie of the Pender Islands for fundraising to complete the Brooks Point Regional Park; and Christa Grace-Warrick of the Pender Islands for 25 years of promoting community connection through newspaper publishing. A posthumous award went to Barrie Morrison and Nancy Waxler-Morrison of North Pender Island for creating an ecological legacy for the Pender Islands.

The group awards went to the Association of Denman Island Marine Stewards for protecting the marine environment over a 15-year period; and, Galiano Conservancy Association for 25 years of leadership in sustainable community building.

In September 2014, the Islands Trust Council made a number of changes to the Islands Trust Community Stewardship Award program. Effective 2015, the program will be offered every two years rather than annually in order to increase the number of applicants in each round, while reducing program costs.

The many people who dedicate their energy, time and imagination to strengthening their island communities and safeguarding our natural environment are an inspiration to all of us.



Peter Ludvigson
Chair, Islands Trust Council

A handwritten signature in dark ink, appearing to read 'P. Ludvigson', written in a cursive style.

Message from the Islands Trust Fund Board Chair

"People can't own the land. We're only borrowing it from the future. When we die, we can't take what we own with us. Therefore, our legacies are what we leave behind."

These words are from one of the nearly 100 landowners who have created legacies for our islands by signing conservation covenants with the Islands Trust Fund or by donating land as nature reserves. Other islanders involved in local conservancy organizations have worked with the Islands Trust Fund to create our other protected places. These collective efforts have resulted in the protection of almost 18 percent of the land in Canada's islands in the Salish Sea since 1990.

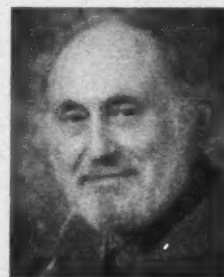
Islands Trust Fund's vision and goals are based on a scientific understanding of what is required to ensure the conservation of landscapes, ecosystems and habitat that we are entrusted with preserving and protecting. What helps to achieve these goals is that our vision is passionately shared by so many island residents and property owners who are prepared to put time, effort and money into leaving a legacy. We are proud that the Islands Trust Fund is in a position to help realize islanders' aspirations for the future well-being of our shared heritage.

This year, we provided particular support for local initiatives on two islands with significant land protection opportunities. Our Regional Conservation Plan identifies Lasqueti and Thetis as islands for particular attention to achieve conservation goals; Lasqueti because of large areas of unprotected land with high biodiversity values and Thetis because of its lack of public access to natural areas. The Islands Trust Fund worked with Lasqueti Island Nature Conservancy on a joint landowner outreach initiative. We worked with Thetis Island Nature Conservancy in achieving the first year goal of a 3-year fundraising campaign to acquire and protect the first nature reserve on Thetis Island at Burchell Hill, to be known as Fairyslipper Forest Nature Reserve.

The importance of protecting land in the Islands Trust area was underlined by a recent University of British Columbia study, which found that if Coastal Douglas-fir forests in the Gulf Islands are maintained, the Islands Trust area has the capacity to be a major sink for carbon produced in the region. In 2008, the Province determined that Coastal Douglas-fir ecosystems are critically imperiled and of greatest provincial conservation concern. The Islands Trust Fund is an active participant in a partnership of government agencies, academics, conservancy associations and landowners to develop and implement a Coastal Douglas-fir Conservation Strategy.

Also of importance to islands is the biologically rich near-shore, which can also be an area of high human impact. We are pleased to have concluded mapping of the eelgrass beds in the waters surrounding the islands. This project involved a three-year partnership with SeaChange Marine Conservation Society and the Seagrass Conservation Working Group. The resulting data, along with that gained from our Forage Fish Spawning Habitat mapping project, will provide valuable information for governments, conservancy groups, First Nations, property owners and the public in general to support the protection and restoration of this crucial habitat that supports healthy marine ecosystems.

The Board is very cognizant of its responsibility to achieve our vision, shared with so many who love the islands, while respecting the contribution of taxpayers that make this valued work possible. To that end, potential projects are carefully evaluated and prioritized with respect to costs and benefits in the context of the Regional Conservation Plan.



Tony Low
Chair, Trust Fund Board

A handwritten signature in dark ink, appearing to read "Tony Low".

Message from the Chief Administrative Officer

On behalf of the Islands Trust staff, I am pleased to present this annual report, reflecting on accomplishments in the 2014-2015 fiscal year. That so much was accomplished causes me to reflect on the dedication of our 26 elected trustees, so many wonderful community volunteers and the highly engaged staff group that supports them in their work.

My time as Chief Administrative Officer has seen a number of organizational changes designed to assist trustees in working effectively on behalf of their communities. For example, we invest significant staff resources to ensure a thorough orientation of new trustees after each election, such as the one that occurred in November 2014. This is particularly important, given that we traditionally see a 50 per cent turnover, as hard-working trustees retire and newly-elected ones arrive with new energy and ideas. Helping new trustees learn the ropes and make effective decisions on behalf of their communities is essential to reaching community goals.

Over the years, the Islands Trust Council has also invested in strategic planning, so that it can wisely invest public resources in its highest priorities. The discipline to make tough choices about priorities makes a real difference to getting things done over the course of a term. Decisions that Trust Council made several years ago to increase the number of planning staff has paid off for local trust committees and island communities. While in past years, local trust committees were often consumed by the 'reactive' process of responding to development applications, they can now dedicate time to 'proactive' community planning projects that benefit their communities – many such projects are described in this annual report. Trust Council's support for creation of the Legislative Services Manager position has not only added a new level of professionalism to our statutory procedures and administrative fairness, it has enabled the Trust Area Services unit to focus on creation of an exceptionally effective and respected team that supports Trust Council's advocacy on behalf of islanders. Our administrative staff team continuously increase the efficiency and effectiveness of our financial procedures, information technology and human resource management.

Finally, our management team has kept a strong focus on attracting and retaining a highly professional and engaged staff by supporting professional development, performance planning, recognition and collaboration. The Islands Trust staff consistently demonstrates an exceptional level of engagement – a factor that is critical to achieving Trust Council's goals and something to be celebrated by trustees, staff and the public we serve.

Behind the Scenes - Legislative Services

The Legislative Services Manager is responsible for the planning, coordination and control of a variety of functions necessary to carry out the legislative obligations of the 15 corporate bodies of the Islands Trust. The manager delivers direct services to trust bodies, staff and the public by providing advice, support and recommendations on statutory, procedural or privacy matters. As part of this service, the manager acts as corporate Records Manager, Freedom of Information and Protection of Privacy Head, and coordinates elections and by-elections.

The manager also oversees the orientation of elected officials and the training of staff regarding legislative and administrative matters. As part of the Islands Trust's ongoing maintenance of its paper records, 88 boxes of records were marked for destruction during this fiscal year in accordance with the Records Management Program adopted by Islands Trust Council in 2011. Also during the period, an amendment to the Gambier Island Local Trust Committee meeting procedures bylaw was drafted and adopted to provide for electronic (audio or audio visual) participation where short notice or emergencies make it impractical for one or more trustees to attend in person.

Between August and November 2014, the manager worked with six regional districts to support the election of 26 local trustees to represent 12 islands. As part of the election proceedings, mail ballot voting was available to resident and non-resident electors in all local trust areas except the Gambier Island Local Trust Area where mail ballots were available only to residents of Passage Island and Bowyer Island. This was a change from the 2011 local trustee elections where mail ballots were only offered in three out of 12 local trust areas.

Behind the Scenes Staff - Comings and Goings

This fiscal year we said goodbye to several valued employees listed below and celebrated the following promotions and new hires:

- **Justine Starke** left her Island Planner position in the Salt Spring office to join the Southern Team as an Island Planner on April 28, 2014.
- **Stefan Cermak** moved from the position of Planner 2 to Island Planner in our Salt Spring Office on May 6, 2014.
- **Jag Dhaul** started his position as Computer Applications Support Technician on November 12, 2014 following **Wendy Hawthorn's** resignation May 6, 2014.
- **Jacqueline Koot** left her position as Administrative Assistant in the Victoria Office on May 15, 2014
- **Torill Gillespie** left her position as Planner 1 in the Salt Spring Office on May 30, 2014
- **Marnie Eggen** moved from the position of Planner 1 to Planner 2 in the Northern Office on June 9, 2014
- **Kristin Aasen** moved from her Planner 1 position to the Planner 2 position in the Salt Spring Office on June 16, 2014.

- **Warren Dingman** joined June 9, 2014 to fill the Bylaw Enforcement Officer vacancy following the resignation of **Geoff Kinnear** on June 11, 2014.
- **Kristine Lat (Mayes)** joined the Salt Spring Island Office as Planning Team Assistant on June 30, 2014.
- **Teresa Rittmann** started in her position as Planner I in the Northern Office on July 7, 2014.
- After eleven years with Islands Trust, **Peter Phillips** retired from his position as Bylaw Enforcement Officer in the Northern Office on July 31, 2014.
- **Seth Wright** started his position as Planner I in the Salt Spring Office on August 5, 2014.
- **Thomas Loo** began his position as Bylaw Enforcement Officer in the Salt Spring Island Office on September 30, 2014.
- **Corlynn Strachan** began the permanent position of Islands Trust Fund Secretary on November 3, 2014 filling the vacancy left by **Emily Kozak**.
- **Pamela Hafey** began in the role of Communications Specialist on January 5, 2015, filling the vacancy left by **Laura Stringer's** retirement after 10 years on December 9, 2014.

Behind the Scenes - Staff Recognition Awards

In December 2014, I had the pleasure of presenting the seventh annual staff recognition awards. Our staff recognition awards program was developed by staff to recognize the achievements and contributions of their colleagues.

The **Innovation Award** can go to an individual or a team. It can be for a particularly innovative program, project, system or process that would save money, improve efficiency, save time and is over and above the normal job description. It has only been presented twice before. The winner of the Islands Trust Innovation Award for 2014 was Miles Drew, Bylaw Enforcement Manager, in recognition of the ticketing system he introduced as a means to improve bylaw enforcement in the Islands Trust Area, building a cohesive team, with well-developed procedures and best practices guides to provide standardized service delivery, as well as his work with counsel on developing best strategies for some of the contentious bylaw violations.

The **Champion Award** is intended to go to an individual who champions the Islands Trust Policy Statement or strategic goals and has demonstrated this through a project or actions. This year the award was given to Jennifer Eliason for her exceptional work supporting the "Preserve and protect" mandate, including the landowner contact pilot program, new strategies for managing Trust Fund Board lands and developing resources for planners and local trust committees, while supporting organizational projects like piloting the employee social media tool Yammer, E-Scribe meeting software and coordinating employee-led charities.

The **Legacy Award** goes to a staff member who has done something that makes a significant difference for all of us who work for the islands. This is only the fifth time someone has been nominated for this award and I was delighted to present the award to Justine Starke, Island Planner, for going above and beyond in applications or project work, in the area of affordable housing on Salt Spring Island.

The **Service Excellence Award** goes to an individual who provides excellent customer service (internally or externally), is courteous, cooperative, dependable, assists others and is an excellent team member. The award this year went to Marie Smith, Executive Co-coordinator, for going above and beyond when providing planning and administrative services for Trust Council meetings.

The **Exceptional Team Effort Award** goes to a regular or ad hoc team, or to a special team formed for a project. It is awarded for "exceptional effort beyond standard performance; effort that exceeds normal expectations; and for overcoming major challenges." This award was presented to the Northern Team for their hard work to ensure a smooth transition to the E-scribe meeting software.

The **Excellence in Leadership Award** is for an individual who encourages teamwork, empowers the team, mentors staff and communicates well. This year the award was presented to Carmen Thiel for fulfilling the newly-formed role of Legislative Services Manager.

The **Unsung Hero Award** is intended to go to an individual who is dependable, assists others, is courteous, cooperative and is willing to take on tasks that no one else wants to do. The award went to Clare Frater for providing excellent research and strategic advice on the Howe Sound advocacy issues.



Linda Adams, Chief Administrative Officer

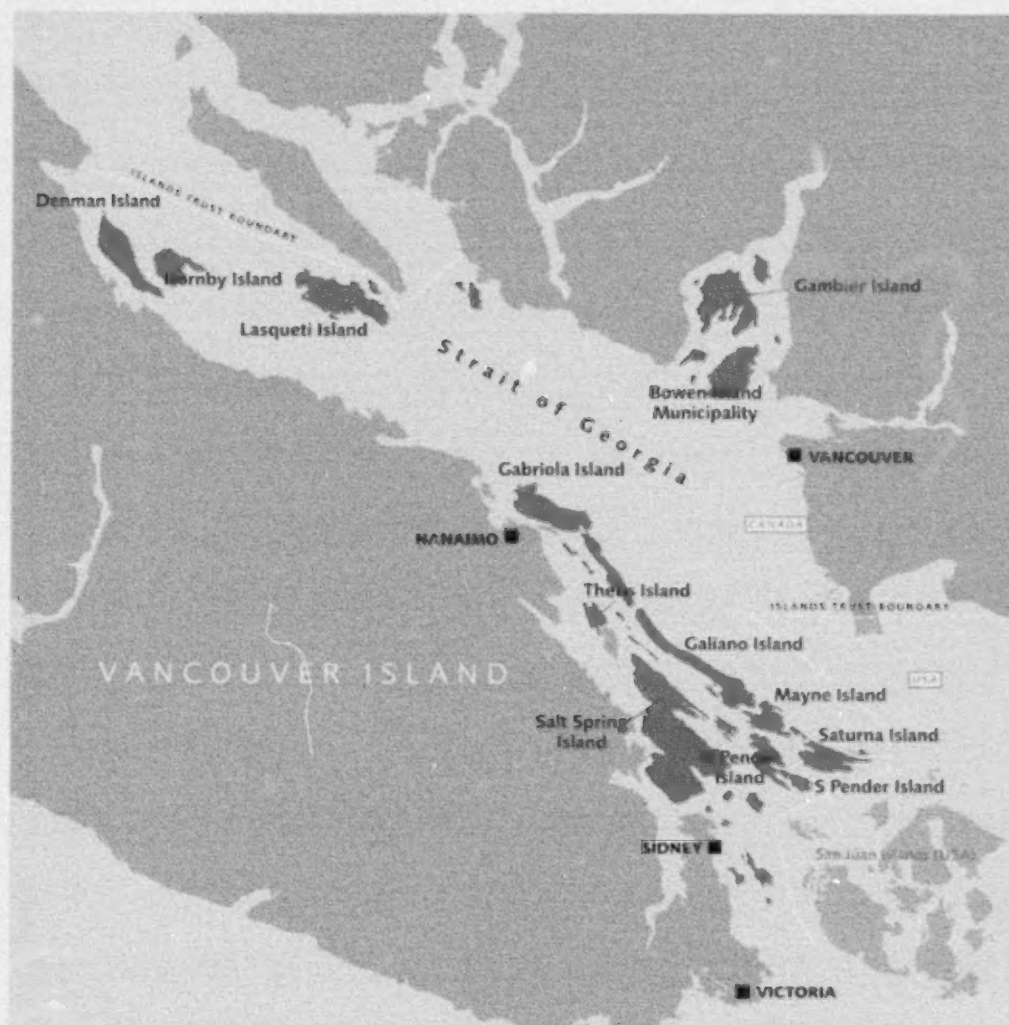
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The Islands Trust Area

The Islands Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox, with the exception of Texada Island. It is approximately 5,200 square kilometres (2,000 square miles) in size and has a resident population of more than 25,000 and an additional 10,000 non-resident property-owners.

Located in the Strait of Georgia and Howe Sound, the Islands Trust Area is a unique and special place — a scenic archipelago of 13 large islands and more than 450 smaller islands and islets. The area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous species of fish and other marine and intertidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, protected marine waterways and anchorages, all of which contribute to the beauty, appeal and tranquility of this area.

The unique natural environment of the islands in the Strait of Georgia and Howe Sound has given the area national recognition. Realizing this, the government of British Columbia enacted special protective legislation in 1974 entitled the *Islands Trust Act*. The Act states that the object of the Islands Trust is to “preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in cooperation with the municipalities, regional districts, improvement districts, other persons and organizations, and the Government of British Columbia.”



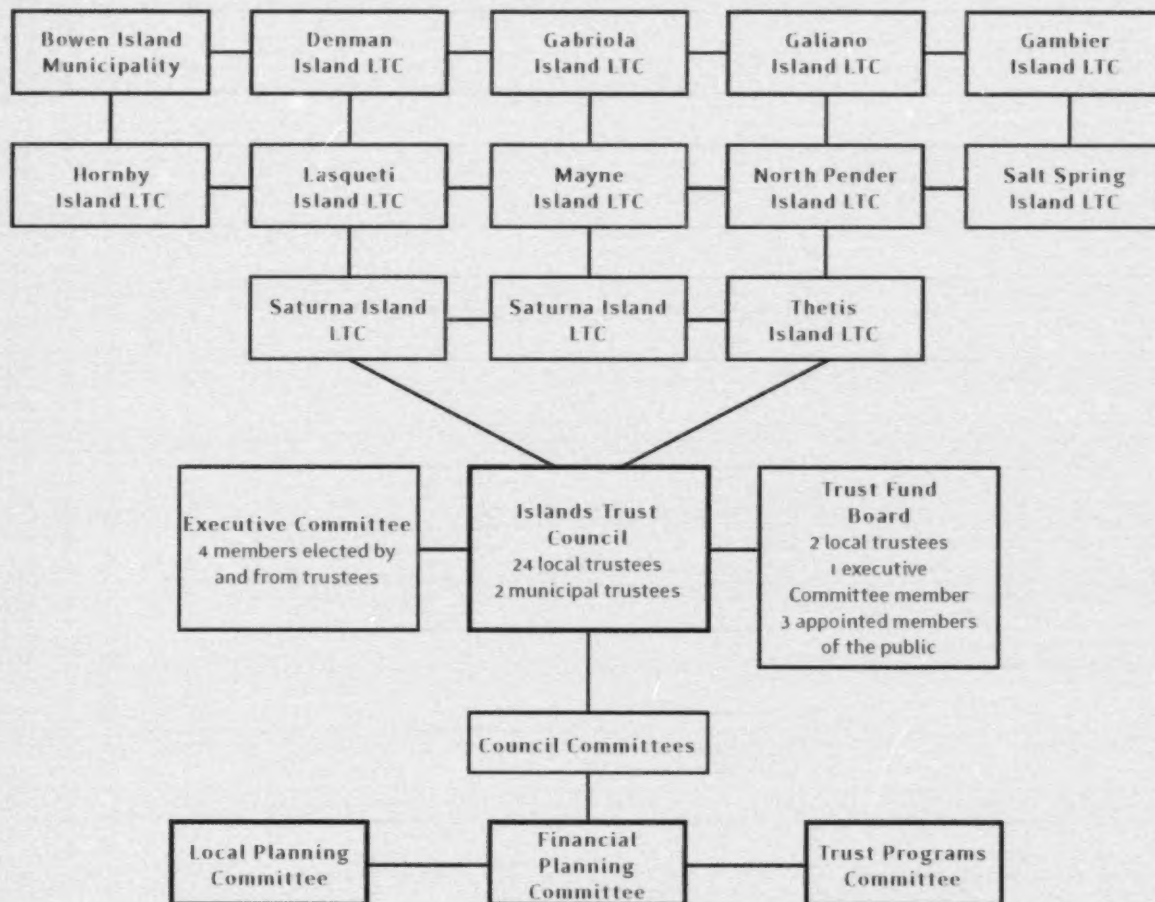
Organization & Responsibilities

The Islands Trust is a unique federation of twelve special-purpose local government bodies and Bowen Island Municipality, all of which plan land use and regulate development in the Islands Trust Area. The Islands Trust consists of a number of distinct corporate entities: the Islands Trust Council, Executive Committee, 12 local trust committees and Trust Fund Board.

Like other communities in British Columbia, island communities currently elect their local representatives every four years. Two local trustees are elected for each group of islands designated as a local trust area or island municipality. For the twelve local trust areas, the two local trustees, together with an appointed chair from the Executive Committee, are responsible for the land use decisions within their local area. For Bowen Island Municipality, the two local trustees are part of a seven-member council that is responsible for all functions of a local government, including land use decisions. Unlike the Bowen Island Municipal Council, each local trust committee also has jurisdictional authority for the smaller islands and waters that surround the major island in that local trust area.

Islands Trust Legislative Structure

Local Trust Committees and Island Municipalities



2014-2015 Accomplishments

1. Executive Summary of Strategic Plan and Policy Statement Accomplishments

Trust Council uses the three main categories in the Islands Trust Policy Statement to organize its strategic plan, which in turn organizes priorities and goals for each term. Trust Council adopted its 2011-2014 Strategic Plan in September 2012 and updates it at every quarterly meeting to align Trust Council's strategic priorities with its staff resources and budget.

Selected accomplishments from this year are highlighted below under the section headings of the Policy Statement. You can read the detailed Strategic Plan and status of all activities in Appendix A.

Goal A Ecosystem Preservation and Protection

The Islands Trust will work to protect the natural environment of islands by:

Encouraging and enabling islanders in voluntary stewardship actions that protect special areas, including the shoreline

- Completed Eelgrass mapping for the entire Trust Area. Completed mapping of forage fish spawning habitat for Gambier, Keats and Bowen islands.
- Created Thetis Island Acquisition Fund with anonymous donation of \$96,000.
- Awarded Opportunity Fund grants to Galiano Conservancy Association (\$1,300) and Salt Spring Island Conservancy (\$2,500).
- Shared information with the public regarding managing invasive species.
- Registered two new covenants and permanently protected the McFadden Creek Nature Sanctuary, securing almost 6 hectares of conservation land on Salt Spring Island.
- Provided support to Land Trust Alliance of BC initiative for a province-wide tax exemption conservation program.
- Protected approximately 120 naturally regenerating conifers from deer browse in restoration site at Long Bay Wetlands Nature Reserve (Gambier).
- Planted approximately 150 native trees and shrubs at Trincomali Nature Sanctuary with volunteers (Galiano).

Working to protect fish habitat under BC's Riparian Areas Regulation (RAR)

- New bylaws in various stages of implementation on Gabriola, Lasqueti, Denman, Hornby and Salt Spring islands.
- Identified riparian watersheds on Gambier, Hornby and Lasqueti islands and improved mapping of additional riparian areas on Salt Spring Island.

Protecting special ecosystems, managing shoreline areas and reducing greenhouse gas emissions when land use decisions are made

- Total of 133.7 hectares of land protected since 2011.

Advocating for new approaches to oil spill preparedness, derelict vessels, industrial developments, aquaculture, marine sewage and national marine conservation.

- Continued advocacy leadership about marine shipping safety and oil spill preparedness and response through attendance at trans-boundary workshops and an oil spill exercise, participation in provincial and federal consultations, participation on a B.C. Environmental Assessment Office working group and letters to Ministers.
- Continued advocacy to senior governments about the need for lasting solutions for derelict vessels. Staff continued to participate in the Joint Working Group for the Removal of Derelict vessels and the Chair sent letters to Ministers and local government partners.
- Implemented a policy to clarify jurisdictional issues related to Islands Trust Area boundary.
- New advocacy concerning the proposed Pacific Region Integrated Geoduck Management Framework that included maps summarizing the water zoning in the Islands Trust Area.
- Advocacy concerning the regulation of pleasure craft sewage dumping in the marine waters of the Islands Trust Area, with detailed suggestions for federal regulatory improvements.

Goal B Stewardship of Island Resources

The Islands Trust will focus on good management of island water resources by:

Using land use planning tools and decisions to protect the quality and quantity of water resources.

- Adopted updated Galiano DPA bylaw to address groundwater protection.

Goal C Sustain Island Character and Healthy Communities

The Islands Trust will work to enhance the economic sustainability and security of island communities by:

Continuing to advocate for sustainable, affordable and appropriate ferry services.

- Continued research and advocacy program regarding ferry fares and service, including letters to the Minister of Transportation and Infrastructure.

Using land use planning tools and decisions to positively affect housing, food security, farmland protection and socio-economic diversity.

- Amendments to Land Use Bylaws to improve availability and affordable housing in various stages. Four affordable housing applications in progress on Salt Spring Island. Galiano, Mayne and North Pender considering affordable/senior housing applications.
- Gabriola Island Local Trust Committee is considering amendments to the Land Use Bylaw and Official Community Plan to better protect farmland and improve food security.
- Mayne Island Local Trust Committee adopted bylaws permitting secondary suites and Denman Island Local Trust Committee adopted bylaws permitting secondary suites and accessory cottages.

Goal D In Cooperation with Others

The Islands Trust will strengthen relations with First Nations by:

Improving engagement with First Nations.

- Supported Grace Islet celebration ceremony (\$5,000)
- Allocated \$50,000 towards improving First Nations relations in the 2015-2016 budget.



photos: K. Mayes

2. Islands Trust Council Highlights

Role

The 26-member Islands Trust Council establishes general policies for carrying out the object of the Islands Trust. Trust Council also adopts an operational budget for the Islands Trust and manages the financial undertakings of all parts of the Islands Trust except for the Trust Fund, which manages its own operations. Trust Council appoints staff and auditors and adopts an annual budget. Tax levies on properties within the Trust Area are the primary funding source for the operations of the Islands Trust; additional revenue comes from a provincial grant and development application fees.

The *Islands Trust Act* requires Trust Council to implement the Trust Policy Statement that is applicable to the whole Trust Area. The Minister of Community, Sport and Cultural Development must approve the Policy Statement before it is adopted. The Policy Statement provides broad policy guidelines for Trust Council, the Trust Fund Board and the local trust committees and island municipality regarding the protection of ecosystems, the stewardship of resources and the promotion of sustainable communities. The positions and philosophy of Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies such as the regional districts of the Islands Trust Area, the province and its agencies.

Trust Council has three standing committees of trustees — the Local Planning Committee, Trust Programs Committee and Financial Planning Committee — which provide policy advice to Trust Council on issues requested by Trust Council.



Members

Serving during 2011-2014 term:

Bowen

Wolfgang Duntz, Andrew Stone

Denman

Laura Busheikin, David Graham

Gabriola

Sheila Malcolmson, Gisele Rudischer

Galiano

Louise Decario, Sandy Pottle

Mayne

Brian Crumblehulme, Jeanine Dodds

North Pender

Ken Hancock, Gary Steeves

Salt Spring

George Grams, Peter Grove

Saturna

Paul Brent, Pam Janszen

Gambier

Jan Hagedorn, Kate-Louise Stamford

Hornby

Alex Allen, Tony Law

Lasqueti

Peter Johnston, Susan Ann Morrison

South Pender

Mike Jones, Liz Montague

Thetis

Sue French, Peter Luckham

Serving during 2014-2018 term:

Bowen

Alison Morse, Sue Ellen Fast

Denman

David Critchley, Laura Busheikin

Gabriola

Heather Nichols, Melanie Mamoser

Galiano

George Harris, Sandy Pottle

Gambier

Dan Rogers, Kate-Louise Stamford

Hornby

Alex Allen, Tony Law

Lasqueti

Susan Ann Morrison, Timothy Peterson

Mayne

Brian Crumblehulme, Jeanine Dodds

North Pender

Derrek Masselink, Dianne Barber

Salt Spring

George Grams, Peter Grove

Saturna

Lee Middleton, Paul Brent

South Pender

Bruce McConchie, Wendy Scholefield

Thetis

Ken Hunter, Peter Luckham

2014-2015 Advocacy

The Islands Trust Council's advocacy program is guided by the Islands Trust Policy Statement. According to the Policy Statement, in order to achieve its object, the *Islands Trust must be an educator, coordinator, and initiator, guiding individuals, organizations and other agencies in support of the object. While the Islands Trust can provide the necessary leadership, responsibility for stewardship of the Trust Area rests with many. Individuals, other government agencies, organizations, and the Province itself all have important roles to play. Cooperative actions are required of other agencies, organizations and individuals to ensure that activities are carried out in a manner that is sensitive to the needs of Trust Area ecosystems and island communities.*

In response to concerns raised by communities through their elected trustees and supported by objectives in its 2011-2014 Strategic Plan, Trust Council continued to place a high priority on its advocacy program, most of which is overseen and implemented by the Islands Trust Council's Executive Committee. This work is guided by Trust Council's Advocacy Policy (Policy 6.10.iii).

In 2014-2015, Trust Council advanced its advocacy priorities by writing letters, making submissions to consultation processes, giving presentations, passing resolutions, and working with partners under the following topics:

Ecosystem Preservation and Protection

Marine shipping safety and oil spill preparedness and response: *(consistent with Policy Statement 3.1.9, 5.3.8, and Strategic Plan 2.3)*

In July 2014, the Islands Trust Chair wrote to the Minister of the Environment urging the Ministry to adopt provincial spill preparedness and response measures that will:

- establish higher standards for land-based spill preparedness and response (including for marine spills affecting coastal shorelines and provincial resources);
- develop effective rules for restoration of the environment following a spill; and,
- ensure effective government oversight and coordination of industry spill response.

In July 2014, the Islands Trust Chair wrote to staff at the B.C. Environmental Assessment Office to request additional studies to support a more thorough understanding of the proposed Woodfibre LNG project's impacts. The Chair noted that the Islands Trust had offered Islands Trust mapping products to Woodfibre LNG staff. The maps show the location of sensitive ecosystems, eelgrass, forage fish habitat, protected areas and other relevant information.

In August, the Executive Committee appointed staff to the B.C. Environmental Assessment Office's Woodfibre LNG working group, limiting involvement to consideration of marine shipping impacts.

In November 2014, the Islands Trust Executive Committee made a successful request that Islands Trust staff be appointed by Transport Canada, for a three-year term, to the Pacific Regional Advisory Council on Oil Spill Preparedness and Response.

In February 2015, MP Elizabeth May invited North Pender Trustees Derek Masselink and Diane Barber and South Pender Trustee Wendy Scholefield and staff to attend a meeting with concerned local residents and representatives from Canadian Shipping Lines, the Chamber of Shipping of British Columbia, and Pacific Pilotage Authority. The goal of the meeting was to exchange information and perspectives on the on-going issue of the use of Plumper Sound as an anchorage and location for the transfer of gypsum while anchored.

In March 2015, the Islands Trust Council Chair wrote to staff at the B.C. Environmental Assessment Office (EAO) to comment on the marine shipping aspects of the proposed Woodfibre LNG project. The Chair conveyed community concerns about the completeness of the EAO process regarding vessel traffic risks and mitigation and a lack of information about: possible vessel wake issues; the impact of the presence of LNG tankers in Howe Sound on the newly emerging Howe Sound tourism brand; and the consequences of low probability/high consequence events, such as a vapour cloud explosion or oil spill following a serious tanker accident.

In March 2015, the Islands Trust Council Chair and staff attended the two-day San Juan Marine Resources Committee's Marine Managers Workshop focused on "Understanding risks to San Juan County and the Gulf Islands from increased vessel traffic".

Derelict and Abandoned Vessels, Barges and Docks (consistent with Policy Statement 3.1.9 and Strategic Plan 2.3)

Through continued participation in the Joint Working Group for the Removal of Problem Vessels in B.C., Islands Trust staff supported the Ministry of Forests, Lands and Natural Resource Operations with the development of the Dealing with Problem Vessels and Structures in B.C. Waters Guide and a companion Technical Guide for staff.

In April 2014, The Islands Trust Council Chair wrote to the federal Minister of Transport and the provincial Minister of Forests, Lands and Natural Resource Operations to once again encourage the federal government and the Province of British Columbia to work together to develop legislation and programs that offer coast-wide solutions to derelict vessel issues. The Chair explained that the Islands Trust Council is seeking measures from senior governments that will not only facilitate removal of vessels once they fall into disrepair or are abandoned, but will also prevent people from abandoning their vessels in the first place. The Islands Trust Chair followed up with letters to partner local governments encouraging them to also advocate to the provincial and federal governments for the timely development of long-term solutions to derelict vessel issues.

Integrated Geoduck Management Framework (consistent with Policy Statement policy 3.4.2 and Strategic Plan 4.2)

In April 2014, the Islands Trust Council Chair wrote to staff at the Department of Fisheries and Oceans to provide comments on the draft Pacific Region Integrated Geoduck Management Framework. The Chair provided comments on: the role of local governments, the need to address the cumulative ecosystem impacts; the need to consider the full-range of ecological impacts of geoduck aquaculture in this region; and requested that Fisheries and Oceans Canada guarantee that local government bodies, including local trust committees, will receive referrals of aquaculture tenure and license applications as part of a harmonized approach to reviewing specific applications, including proposals to change the shellfish species to be cultivated. The letter included six maps summarizing the water zoning in the Islands Trust Area.

Proposed Artificial Reef (consistent with Policy Statement policy 3.4.3)

In July 2014, the Islands Trust Chair wrote to the Minister of the Environment to reiterate the Islands Trust Council's opposition to the sinking of the former HMCS Annapolis in Halkett Bay Provincial Marine Park as an artificial reef.

Halkett Bay glass sponge reef protection (consistent with Policy Statement 3.4.6)

In September 2014, the Islands Trust Council Chair wrote to the Minister of Environment to express the Islands Trust Council's support in principle for the expansion of Halkett Bay Provincial Marine Park to include the Glass Sponge Reef and Garden off Halkett Point, Gambier Island.

Pleasure Craft Sewage dumping (*consistent with Policy Statement 3.4.8; 3.1.9 and Strategic Plan 2.6.1*)

In December 2014, Islands Trust Council Vice-Chair Peter Luckham wrote to the federal Minister of Transport to express Trust Council's opposition to a proposal to allow pleasure craft vessels to discharge sewage only one nautical mile from shore, and to request that Transport Canada take additional actions to reduce raw sewage dumping from vessels in the Salish Sea. The letter included two colour maps illustrating the effect in the Islands Trust Area of the proposed weakening of Section 96 of the *Vessel Pollution and Dangerous Chemicals Regulations* and the proposed Islands Trust approach, which included no-discharge zones around vessel pump-out stations.

Sustainable Communities

B.C. Ferries Fares and Service (*consistent with Policy Statement 5.3.1 and Strategic Plan 4.2*)

In April 2014, the Islands Trust Council Chair wrote to the Minister of Transportation and Infrastructure to provide the Minister with a BC Ferries Economic Analysis report, produced for BC Ferries in 2000, and to request that the Ministry of Transportation and Infrastructure produce a new report using current data that explains BC Ferries' important role in the province's economy.

At the September 2014 Union of British Columbia Municipalities Convention, the Islands Trust Council Chair met with the Honourable Todd Stone, Minister of Transportation and Infrastructure, the Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training, and the Honourable Christy Clark, Premier of British Columbia in conjunction with the Coastal Regional District Chairs ferries group to discuss BC Ferries fares and service cuts. The Islands Trust Council Chair was one of three local government representatives to present at the meeting. Following this meeting, the Islands Trust Council Chair wrote to the Premier and the Minister of Transportation and Infrastructure to thank them for the meeting and to request a meaningful, robust public consultation process in 2015 regarding future ferry fares and Provincial investment in the coastal ferry system until 2020 or beyond.

In October 2014, the Islands Trust Council Chair wrote to the B.C. Select Standing Committee on Finance and Government Services to request that the Provincial government budget sufficient funding in 2015 and future years to:

- return coastal ferry fares to a level that would be in line with cost of living increases since enactment of the Coastal Ferries Act in 2003; and
- fund BC Ferries costs, including capital costs, at a level that will keep future fare increases in line with, or lower than, Consumer Price Index while meeting essential transportation needs of ferry dependent communities.

In November 2014, the Islands Trust Council Chair wrote to the Minister of Transportation and Infrastructure in response to the On the Move 10-Year Transportation Plan consultation process to reiterate Trust Council's request to the Select Standing Committee on Finance and Government regarding funding for the coastal ferry system.

In February 2015, the Islands Trust Chair and Coastal Regional District Chairs met with the BC Ferries Commissioner to discuss BC Ferries.

In March 2015, the Islands Trust Chair and Coastal Regional District Chairs met with the Minister of Transportation and Infrastructure to discuss BC Ferries.

Gabriola Island Fixed Link Feasibility Study (*consistent with Policy Statement 5.3.2 and Strategic Plan 2.6.1*)

In September 2014, the Islands Trust Council Chair wrote to the B.C. Minister of Transportation and Infrastructure expressing concern about a feasibility study for a bridge to Mudge and Gabriola Islands.

In February 2015, the Islands Trust Council Chair, the Gabriola Island trustees and staff met with staff from the Ministry of Transportation and Infrastructure to discuss the Gabriola Island Fixed Link Feasibility study.

Stewardship of Resources

Agricultural Land Reserve (*consistent with Policy Statement 4.4.1*)

In May 2014, the Islands Trust Chair wrote to the Minister of Agriculture to remind the Minister of the Islands Trust Council's December 2013 unanimous resolution of concern over possible weakening of B.C.'s Agricultural Land Reserve, and to request that if the Province of B.C. decides to proceed with a review of the Agricultural Land Commission or Agricultural Land Reserve that the Province include the recommendations from previous reviews and include a meaningful consultation process with local governments and communities.

In August 2014, the Islands Trust Chair wrote to the Minister of Agriculture to convey serious concerns about the consultation process for amendments to the *BC Agricultural Land Commission Act: Agricultural Land Reserve Use, Subdivision, and Procedure Regulation*.

Howe Sound Management Planning (*consistent with Policy Statement 3.1.9, 3.1.1, 3.1.2, 3.1.6, 3.1.10 and Strategic Plan 2.3*)

In April 2014, Gambier Island Trustee Jan Hagedorn represented the Islands Trust at a Howe Sound Aquatic Forum where more than 80 participants outlined a draft set of priorities for advancing sustainable aquatic management in Howe Sound.

In May and October 2014, the Islands Trust Council Chair attended meetings of the Howe Sound Community Forum as an observer.

Trust Council Presentations

Trust Council heard a number of presentations during its quarterly meetings:

- Chief John Wesley provided Trust Council information on the Snuneymuxw First Nation's interests in the Islands Trust Area, the legal framework for First Nations matters in the Trust Area and current practices and new requirements for engaging with First Nations.
- Senior staff provided a number of sessions to trustees on community planning, strategic planning process, respectful workplace, review of Trust Council's adopted guidelines for best practices during the November 2014 elections, as well as review of the outgoing Trust Council's term, to identify challenges and celebrate achievements.
- Senior staff provided a number of orientation sessions to the new Trust Council on the Islands Trust organizational structure, roles of the different areas, how to make fair decisions and other important information for the new Trust Council during its term.
- Fisheries and Oceans Canada provided an understanding of the BC Aquaculture Regulatory Program, including aquaculture policies, Integrated Management of Aquaculture Plans, and the federal aquaculture licensing process.

Delegations Addressing Council in 2014-2015

At each quarterly meeting of the Islands Trust Council, members of the public are invited to participate in a town hall session, a regular forum to promote dialogue between islanders and trustees.

At the June 2014 Islands Trust Council meeting on Saturna Island, Council heard from several delegations:

- Eoin Finn recommended banning LNG tankers in the Islands Trust Area and spoke about the importance of carefully regulating tanker traffic and all industrial activities in the area.
- Pender Islands Vacation Accommodations Association questioned the Trust Council's process for funding litigation when enforcing bylaws.
- Association of Denman Island Marine Stewards expressed concerns about the threat that plastic debris poses to the Islands Trust Area marine ecosystem and the importance of regulating and reducing plastic in marine areas.
- Cameron Thorn and Bruce McConchie of the South Pender Advisory Planning Commission provided input on ways to improve the functioning of advisory bodies and conflict of interest policy recommendations.

At the September 2014 Trust Council meeting on Gambier Island, Council heard presentations from the following groups:

- Stephen Foster from the David Suzuki Foundation made a presentation on the Foundation's activities for rejuvenating the ecology of the Howe Sound area.
- Executive Director of the Future of Howe Sound Society about the threats facing the Howe Sound area and the work of the Society in addressing the challenges.
- Peter Scholefield, Gambier Island Conservancy

In December 2014, the newly-elected Trust Council held its first meeting in Victoria and heard from the following delegations:

- Brenda Madrazo, from the David Suzuki Foundation, presented the report "Protecting Your Community's Coastal Assets: Local Leadership in Marine Planning."
- David Steen, Chair of the Gulf Islands Alliance, made a presentation about efforts to guarantee the right of citizens to a healthy environment.
- Sabine Jessen, National Director of the Oceans Program at the Canadian Parks and Wilderness Society made a presentation regarding the proposed Southern Strait of Georgia National Marine Conservation Area.

In March 2015, Trust Council met on Gabriola Island and heard these delegations:

- Peter Lamb and Jean Gelwicks made a presentation about the Blue Dot campaign enshrining the right to a healthy environment in the Canadian Charter of Rights and Freedoms.
- David Steen, Chair of the Gulf Islands Alliance, made a presentation about the Public Trust Doctrine.
- Melissa Harrison, from Bowen Island's Stop the Docks, presented concerns about "giant" docks and threats to the enjoyment of island beaches.

Members of the public may address the Islands Trust Council at any of its quarterly scheduled meetings held in March, June, September and December. This can be done formally, by making a delegation or presenting a petition, or informally at the town hall session. All correspondence, formal delegation presentations and petitions are available to the public.

Communications

News Releases

The Islands Trust issued 15 news releases in 2014-2015 on subjects including municipal elections, bylaw enforcement, public input on the annual budget, quarterly Islands Trust Council meetings and agendas, land conservation activities, Community Stewardship Awards, special initiatives, court decisions and BC Ferries advocacy. Islands Trust news releases are distributed to local media throughout the Islands Trust Area and outlying media interested in the area, other elected officials, and other interested agencies and governments, as well as subscribers to the Islands Trust electronic distribution service. (See instructions on how to sign up below.)

Electronic Communications

Anyone may subscribe to e-mail notifications of information including news releases, chair correspondence and meeting schedules. To subscribe to one or more topics click "subscriber options" on the homepage: www.islandstrust.bc.ca. The Islands Trust also has a twitter feed under the user name Islands_Trust and a YouTube channel under the user name IslandsTrust. The Islands Trust Fund has a twitter feed IsldsTrustFund and a FaceBook page called IslandsTrustFundBC.

The Island Trust Fund newsletter *The Heron* was mailed to 310 subscribers and organizations twice. The newsletter is available on the Islands Trust Fund website at www.islandstrustfund.bc.ca. The Trust Fund's electronic newsletter was also sent to 606 subscribers every two months.

Public Engagement by Numbers (2014-2015)

Electronic

- **15** news releases (topics included budget, election, bylaw, conservation, stewardship awards)
- **3,230** subscribers to Islands Trust electronic news
- **1,147** updates sent from Trust Council
- **575** messages from Trust Fund Board
- **675** Twitter followers (these are numbers to date)
- **537** tweets (these are numbers to date)
- **80,170** website hits; **345,608** individual page views, **34.8%** new and **65.2 %** returning visitors



photos: (L) L. Adams, (R) K. Mayes

3. Islands Trust Council Committee Highlights

Executive Committee

Role

The Executive Committee is comprised of the Chair of the Islands Trust Council and three Vice-Chairs, all of whom are elected for a four-year term by Trust Council from among its members. In addition to the responsibilities of individual members who serve as the chair of local trust committees, the committee oversees external communications for the Islands Trust, liaises with the provincial government, reviews and implements the Trust Policy Statement and conducts other functions as directed by Trust Council.

The Executive Committee carries out the daily business of the Islands Trust, reviews the bylaws of local trust committees to ensure compliance with the Islands Trust object and the Trust Policy Statement, and acts as a local trust committee for the Ballenas / Winchelsea Island group north of Nanaimo.

Members

Serving during 2011-2014 term

Sheila Malcolmson, Gabriola Island (Chair)
 Ken Hancock, North Pender Island (Vice-Chair)
 David Graham, Denman Island (Vice-Chair)
 Peter Luckham, Thetis Island (Vice-Chair)

Serving during 2014-2018 term

Peter Luckham, Thetis Island (Chair)
 Laura Busheikin, Denman Island (Vice-Chair)
 George Grams, Salt Spring Island (Vice-Chair)
 Susan Morrison, Denman Island (Vice-Chair)

Union of British Columbia Municipalities Annual Convention September 22-26, 2014

At the annual Union of British Columbia Municipalities (UBCM) convention, Islands Trust representatives meet and share ideas with Members of the Legislative Assembly (MLAs) and local government representatives from across the province. Chair Sheila Malcolmson and Vice-Chairs David Graham and Peter Luckham attended the convention on behalf of the Islands Trust Council. Chief Administrative Officer Linda Adams also attended the conference.

Islands Trust representatives participated in several clinics, workshops and provincial policy sessions, including:

- Agriculture Study Tour
- Reconciliation in Action
- Urban Deer Management in BC Clinic
- Auditor General for Local Government: Learning from Local Government Capital Procurement Projects and Asset Management Programs Clinic
- Small Talk Forum for discussion among elected representatives of small communities and presentations about issues facing small communities and local success stories. Vice Chair Luckham spoke to the challenges of government and agency consultation and advocacy. He noted that the Islands Trust had developed internal capacity for these purposes, so that it could better advocate on behalf of its community and respond meaningfully to senior government requests for consultation. He indicated an interest in hearing from other local governments about these challenges and the approaches they were using.
- Plenary Session: Impacts of the Tsilhqot'in Decision on Local Governments
- Policy Session on UBCM Report on Socio-Economic Impacts of BC Ferries Service Reductions. During the UBCM resolution session, the Policy Paper was unanimously endorsed.
- Address by the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development

- Provincial Government Cabinet Panel on Responsible Resource Development
- Provincial Government Cabinet Panel on Strong Communities
- Linking Citizen Voices to Policy Decisions Workshop

The Islands Trust Chair and Regional Directors' Chairs met with Premier Christy Clark, Minister of Transportation and Infrastructure Todd Stone, and Minister of Jobs, Tourism and Skills Training Shirley Bond to discuss BC Ferries fares and service cuts. The Islands Trust Council Chair was one of three local government representatives to present at the meeting about the UBCM resolution on BC Ferries. At the meeting, the Premier reiterated that the provincial credit rating would be harmed by re-assuming BC Ferries' debt, so it could not be absorbed back into the provincial highway system. She also indicated that the LNG "Prosperity Fund" would be 1/3rd dedicated to paying down BC Ferries' debt so ferry-dependent communities would see some relief from rate increases in the future. Minister Stone said fare hikes would have been even higher without government intervention, and that he did not agree with the UBCM study's findings. The Premier agreed with Chair Malcolmson's point that ferry users are frustrated that no information is being released on whether the service cuts realized the predicted savings.

Islands Trust trustees and the Chief Administrative Officer hosted a breakfast for the seven Electoral Area directors and Members of the Legislature serving the Island Trust Area, including MLAs Nicholas Simons, Powell River/Sunshine Coast (Gambier) and Doug Routley, Nanaimo/North Cowichan (Thetis/Gabriola), Trust Area Electoral Area Directors Merrick Anderson of Powell River Regional District (Lasqueti), Maria Harris of Metro Vancouver Regional District (Bowyer/Passage), Howard Houle of Nanaimo Regional District (Gabriola), Bruce Joliffe of Comox Valley Regional District (Denman/Hornby), Wayne McIntyre of Capital Regional District (Salt Spring), Andrew Stone of Metro Vancouver Regional District (Bowen) and Lee Turnbull of Sunshine Coast Regional District (Gambier). Alison Morse, Bowen Island Municipal Councillor and Islands Trust Trustee, and Tim Rhodes, Bowen Island Municipal Councillor, also attended.

Chair Sheila Malcolmson highlighted upcoming UBCM resolutions that would benefit the Islands Trust Area and advance Trust Council's Strategic Plan, specifically on fair ferry fares, derelict vessels, shipping safety and oil spill prevention, the Agricultural Land Reserve and Agricultural Land Commission, funding for affordable housing, reducing greenhouse gas emissions and better regulating sewage discharge into marine waters. The Chair encouraged participation in upcoming Transport Canada consultations on marine sewage regulations. Regional directors discussed solid waste disposal and incineration. Participants praised Islands Trust for hosting these sessions at the UBCM convention to give island representatives the opportunity to talk about common issues.

Bylaws Approved by Executive Committee

Before a local trust committee can adopt a bylaw, the Executive Committee must approve all local trust committee bylaws for compliance with the Trust Policy Statement. Before Bowen Island Municipal Council adopts an Official Community Plan Bylaw, the Executive Committee must approve the bylaw and also comment on Land Use Bylaws for the Bowen Island Municipal Council. In 2014-2015, the Executive Committee approved 40 bylaws.

Advisory Committees

Every term, members of three standing committees of the Islands Trust Council (Local Planning, Trust Programs and Financial Planning) are appointed by the Chair to explore selected topics in detail and make recommendations to Council.

Role

The Local Planning Committee's role is to provide policy and planning advice to Trust Council by identifying and reporting to council on emerging issues related to the committee's areas of responsibility (development management, community planning, and sustainable community) and to develop guidelines, policies and models for use by staff and local trust committees.

Members appointed for the 2011-2014 term

Louise Decario, Galiano Island (Chair)
 George Grams, Salt Spring Island (Vice-Chair)
 Brian Crumblehulme, Mayne Island
 Mike Jones, South Pender Island
 Sue French, Thetis Island
 Gisele Rudischer, Gabriola Island
 Jan Hagedorn, Gambier Island

Peter Johnston, Lasqueti Island
Pamela Janszen, Saturna Island
Ken Hancock, North Pender Island (Executive Committee Representative)
Sheila Malcolmson, Chair Trust Council (Ex Officio Member)

Members appointed for the 2014-2018 term

Paul Brent, Saturna Island (Chair)
Melanie Mamser, Gabriola Island (Vice-Chair)
Alex Allen, Hornby Island
Tony Law, Hornby Island
Lee Middleton, Saturna Island
Timothy Peterson, Lasqueti Island
Sandy Pottle, Galiano Island
Wendy Scholefield, South Pender Island
Laura Busheikin, Denman Island (Executive Committee Representative)
Peter Luckham, Chair Trust Council (Ex Officio Member)

During 2014-2015 Trust Council assigned the Local Planning Committee the following projects:

Green Shores for Homes

The Local Planning Committee received reports entitled "A Landowner's Guide to Protecting Shoreline Ecosystems," "Green Shores for Homes Scenarios Workshop Summary Report" and "Site Profiles and Possible Solutions" from the pilot Green Shores for Homes project on Thetis Island. They were circulated to local trust committees and Bowen Municipality for information.

Conflict of Interest Rules for Advisory Planning Commissions

The Local Planning Committee addressed conflict of interest rules of advisory planning commissions. The Local Planning Committee recommended to circulate "Advisory Groups Conflict of interest and Bias Guidelines," developed by the Chief Administrative Officer, to staff and advisory planning commission members.

Section 26 Resolutions-without-Meeting

Section 26 of the Islands Trust Act allows local trust committees to pass Resolutions-without-Meeting. The Local Trust Committee reviewed amendments to the Resolutions-without-Meeting Policy on administering resolutions without meeting focussed on ensuring fairness to all local trust committee members during the voting process. The new policy was adopted by Trust Council.

Local Planning Committee Terms of Reference

The Local Planning Committee reviewed its terms of reference and recommended changes to the terms of reference to ensure the work of the Committee is relevant to local trust committees. The review included a survey of trustees and staff and recommended changes that simplified and focused the terms of reference. The revised terms of reference were subsequently adopted by Trust Council in March 2015.

Green Technologies

The Local Planning Committee continued work on development of model wording to encourage green technologies in the Trust Area by producing a fact sheet on micro-hydro projects. This fact sheet was posted on the website and sent to all local trust committees, Bowen Municipality and planning staff to inform them of the options for micro-energy.

Trust Programs Committee

Role

The Trust Programs Committee seeks direction from and provides advice to the Islands Trust Council on reviewing, amending and implementing the topics in the Islands Trust Policy Statement.

Members appointed for the 2011-2014 term

Paul Brent, Saturna Island (Chair)
George Grams, Salt Spring Island (Vice-Chair)
Alex Allen, Hornby Island
Laura Busheikin, Denman Island
Tony Law, Hornby Island
Liz Montague, South Pender Island
Kate-Louise Stamford, Gambier Island
Andrew Stone, Bowen Island Municipality
Ken Hancock, North Pender Island (Executive Committee Representative 2011-2013)
David Graham, Denman Island (Executive Committee Representative 2014)
Sheila Malcolmson, Gabriola Island (Ex Officio Member)

Members appointed for the 2014-2018 term

Derek Masselink (Chair)
Brian Crumblehulme (Vice-Chair)
David Critchley, Denman Island
Sue Ellen Fast, Bowen Island
Tony Law, Hornby Island
Bruce McConchie, South Pender Island
Heather Nicholas, Gabriola Island Trustee
Dan Rogers, Gambier Island Trustee
George Grams, Salt Spring Island (Executive Committee Representative)
Peter Luckham, Thetis Island (Ex Officio Member)

2014-2015 Highlights

In support of Trust Council's focus on advocacy about BC Ferries, the Trust Programs Committee made several recommendations in 2014 to the Islands Trust Council regarding advocacy about coastal ferry fares and service levels (*Strategic Plan 4.1.1*).

The Trust Programs Committee's annual work program included reviewing all the nominations and making recommendations to Trust Council on the recipients of the annual Community Stewardship Awards. The 2014 Community Stewardship Award recipients are reported under the Trust Council Chair's introduction on page 1. The Trust Programs Committee also recommended amendments to the Islands Trust Council's Procedure 2.1.xi, Administration of Community Stewardship Awards Program, which were adopted by Trust Council.

In addition, the Trust Programs Committee approved a project charter to support research into Crown Land in the Trust Area.

Financial Planning Committee

Role (Trust Council Policy 2.3.iii FPC Terms of Reference)

The Financial Planning Committee is responsible for facilitating Trust Council's involvement in the annual budget process; facilitating the linkage of the annual strategic planning process with the annual budget process; reporting and making recommendations to Trust Council regarding the organization's financial management practices; reviewing audit reports and recommendations; providing advice to the Trust Fund Board on financial services and support; and monitoring and reviewing the organization's financial management, budget and financial practices.

Members:

The committee is comprised of ten trustees from across the Islands Trust Area: the Chair (or an appointee) from each of the other standing committees (2), members of the Executive Committee (4), a member chosen by the Trust Fund Board (1), and three other locally-elected or municipal trustees(3). The Chair of the Committee is elected by the committee from amongst the three other trustees. The Committee membership changed during the fiscal year with the election of the new Trust Council in November 2014.

Members appointed for the 2011-2014 term:

Gary Steeves, North Pender Island (Chair)
 Peter Grove, Salt Spring Island (Vice-Chair)
 Paul Brent, Saturna Island (Trust Programs Committee Representative)
 Louise Decario, Galiano Island (Local Programs Committee Representative)
 Susan Ann Morrison, Lasqueti Island (Trust Fund Board Representative)
 Jeanine Dodds, Mayne Island
 David Graham, Denman Island (Executive Committee Representative)
 Ken Hancock, North Pender Island (Executive Committee Representative)
 Peter Luckham, Thetis Island (Executive Committee Representative)
 Sheila Malcolmson, Gabriola Island (Executive Committee Representative)

Members appointed for the 2014-2018 term:

Peter Grove, Salt Spring Island (Chair)
 Alison Morse, Bowen Island Municipality (Vice-Chair)
 George Harris, Galiano Island
 Dereck Atha (Trust Fund Board Representative)
 Derek Masselink, North Pender Island (Trust Programs Committee Representative)
 Paul Brent, Saturna Island (Local Planning Committee Representative)
 Laura Busheikin, Denman Island (Executive Committee Representative)
 George Grams, Salt Spring Island (Executive Committee Representative)
 Peter Luckham, Thetis Island (Executive Committee Representative)
 Susan Morrison, Lasqueti Island (Executive Committee Representative)

The Audit Committee is a sub-committee of the Financial Planning Committee that includes all members with the exception of the Executive Committee. The Audit Committee meets at least twice per year to meet with the external auditors and review the year-end audit work program, the final report and the management letter recommendations and to determine necessary actions.

2014-2015 Highlights

As part of its ongoing responsibilities, the Financial Planning Committee oversaw the completion of the 2013/14 financial audit for Islands Trust and Islands Trust Fund, through its Audit Committee. The Audit Committee met the external auditors, KPMG, to review their audit findings report. Planning for the 2014-2015 financial audit was also initiated.

The Financial Planning Committee facilitated Trust Council's involvement in the 2015-2016 budget, recommending that Trust Council adopt a budget with no tax increase to taxpayers, with the exception of residents of the Salt Spring Island Local Trust Area where the Salt Spring Island Local Trust Committee had requested a Special Property Tax Requisition for coordination of the Salt Spring Island Watershed Protection Authority. Quarterly financial updates on actual results as well as revised forecasts were provided to the Committee throughout the year for information and review.

During the 2014-2015 fiscal year, the Financial Planning Committee proposed several policy changes to Trust Council, primarily based on objectives in Trust Council's Strategic Plan. Amended policies during this period included:

- Revised Budget Process Policy 6.3.i – approved by Trust Council June 2014 Strategic Plan Objective 6. Improve organizational cost and operational effectiveness
- Revised Trustee Travel Process Policy 7.2.iii – approved by Trust Council June 2014 Strategic Plan Objective 6. Improve organizational cost and operational effectiveness

4. Trust Fund Board

Role

The Islands Trust Fund was established in 1990 by the Islands Trust Act to preserve natural landscapes and ecosystems in the Islands Trust area, which covers most of Canada's islands in the Salish Sea. As the regional land trust for the Islands Trust area, the Islands Trust Fund works with landowners and communities to protect places of natural or cultural significance in perpetuity. The Islands Trust Fund acquires and manages land for conservation, receives donations of land, conservation covenants, and cash, and undertakes stewardship education activities. As a qualified donee the Trust Fund Board provides receipts for income tax purposes for all eligible donations received.

Members

The Trust Fund Board administers the Islands Trust Fund. The Trust Fund Board has six members: two trustees elected by Trust Council, one trustee appointed by the Executive Committee and three members appointed by the Minister of Community, Sport and Cultural Development for terms of one to three years.

Tony Law, Hornby Island (2011–2014, Chair, 2012–present)

Peter Luckham, Thetis Island (2011–2014)

Susan Morrison, Lasqueti Island (2011–2014, 2014-present)

Kate-Louise Stamford, Gambier Island (2014-present)

Dereck Atha, Mayne Island (Appointed Member, 2010–2013, 2013–2016)

Ron Bertrand, Abbotsford and North Pender Island (Appointed Member, 2014-2015)

Julie Glover, Vancouver and Hornby Island (Appointed Member, 2011–2013, 2013–2015)

Robert Grant, Vancouver and Denman Island (Appointed Member, 2009–2011, 2011–2014)

Protected Area in the Islands Trust Area

A new base map of the Islands Trust Area became available in 2014. The new, more precise map includes many small islets that were not previously included in calculations of the total size of the Islands Trust Area, as well as other boundary refinements. The total land size of the Islands Trust Area is now calculated to be 79,055 hectares, compared to the total in previous years of 76,103 hectares. The effect of this update is that even though the total amount of land protected in the Islands Trust Area increased by 6 hectares in 2014-2015, the percentage of protected land appears to have decreased when compared with percentages from previous years, where the smaller total land size amount was used. All amounts below are based on the new, more accurate total of 79,055 hectares of land in the Islands Trust Area.

As of March 2015, the Trust Fund Board had protected 1,147 hectares of natural and cultural values on 95 properties, or 1.45 percent of the Islands Trust area. By the same date, public and non-profit conservation organizations (including the Islands Trust Fund) had protected 13,946 hectares (17.8 percent) of the Islands Trust area.



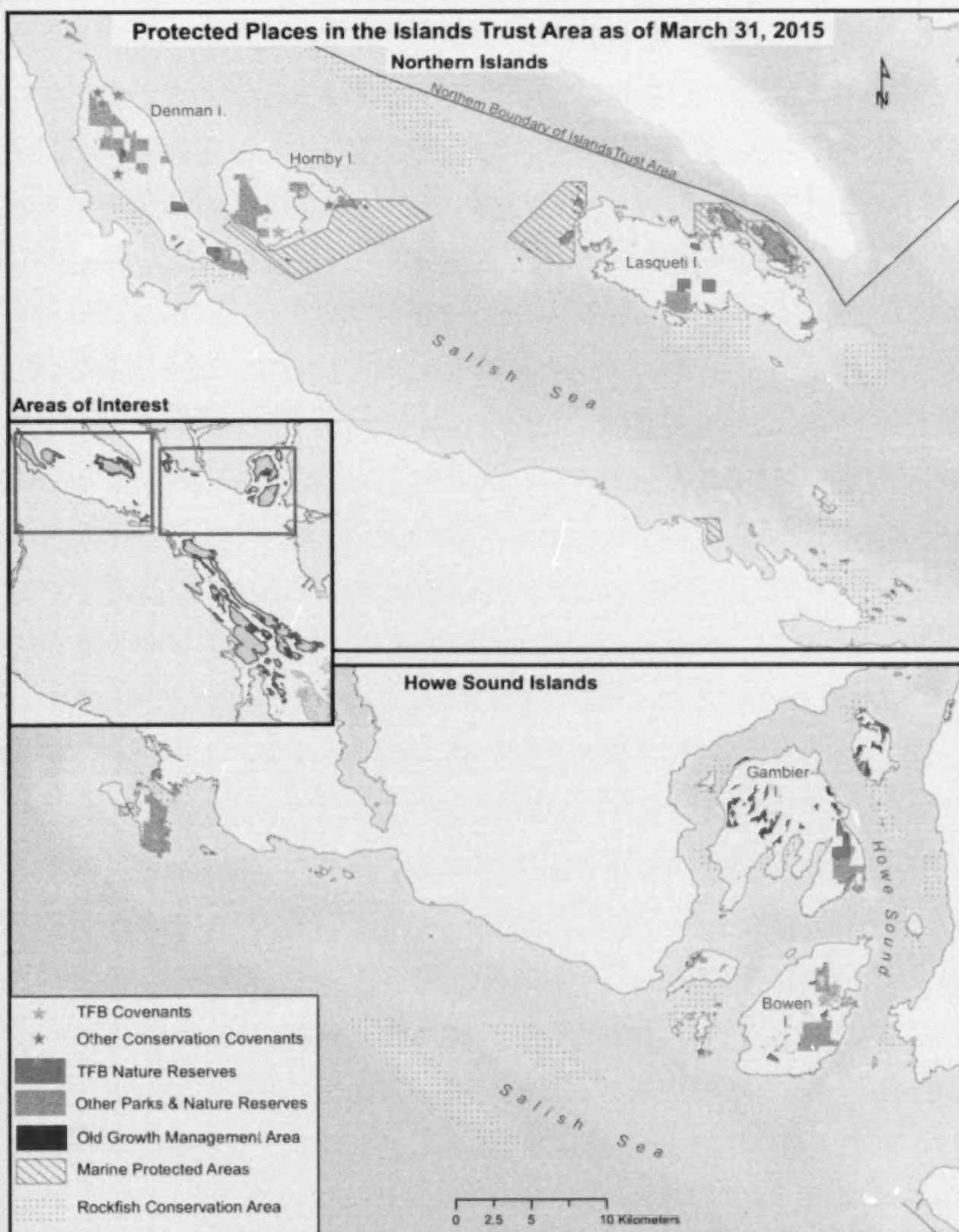
photos: (L) J. Eliason, (R) K. Mayes

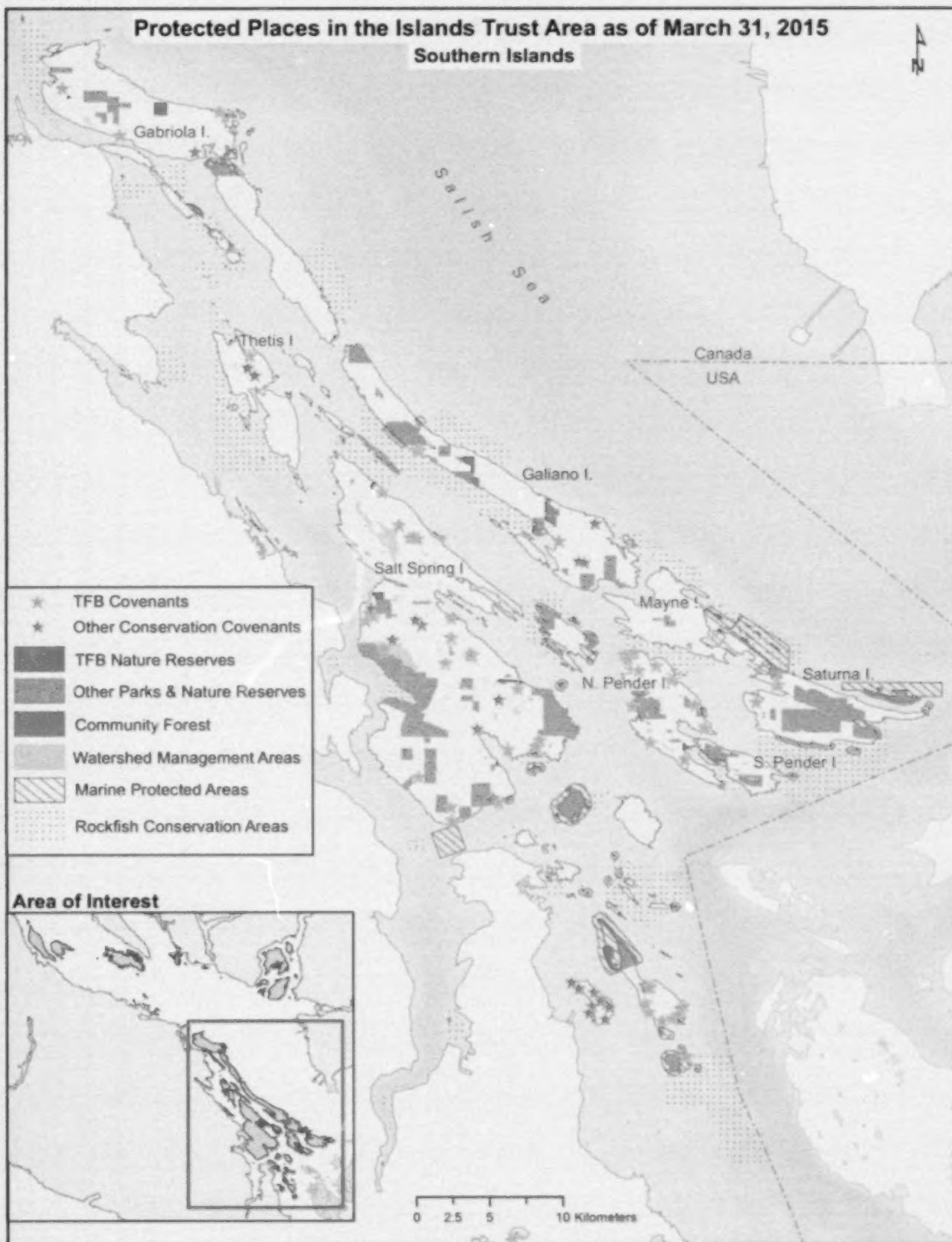
Protected Places in Each Local Trust Area and Island Municipality as of March 31, 2015



Types of Protected Places in the Island Trust Area

Type of Protected Area	Protected Places (Hectares)	% of Trust Area	% of Protected Places
Conservation Covenant	648.7	0.82%	4.7%
Ecological Reserve	1,402.6	1.77%	10.1%
Nature Reserve	1,370.3	1.73%	9.8%
Park Community	915.6	1.16%	6.6%
Park Federal	2,900.3	3.67%	20.8%
Park Provincial	4,667.9	5.90%	33.5%
Park Regional	1,051.3	1.33%	7.5%
Watershed Protection	297.7	0.38%	2.1%
Heritage Forest	125.3	0.16%	0.9%
Old Growth Management Areas	566.0	0.72%	4.1%
TOTAL	13,945.7	17.64%	





Regional Conservation Plan

The Islands Trust Fund's Regional Conservation Plan identifies the region's species and habitats most in need of protection and the actions needed to protect these biodiversity priorities. The 2011-2015 Regional Conservation Plan sets short-term conservation targets for the Islands Trust Fund and its partners that will help achieve the broader vision and long-term goals of the Plan. In 2014 the Trust Fund Board extended the current (2011-2015) plan for a further two years.

The following is a summary of the Islands Trust Fund's progress in reaching the seven long-term goals of the Regional Conservation Plan in 2014-15:

Goal 1: Protect Core Conservation Areas

The Islands Trust Fund strives to secure core conservation areas (through land donation, direct purchase and covenants) that conserve biodiversity priorities within the Islands Trust Area. Since adoption of the 2011-2015 Regional Conservation Plan, conservation agencies have cumulatively protected 1,215 hectares of habitat in the Islands Trust Area, 833 hectares of which were deemed to be of high conservation value. The Islands Trust Fund contributed 134 hectares of that figure, 117 hectares of which were mapped as having high conservation value.

2014-2015 Nature Reserve/Sanctuary Acquisition

Nature reserves and sanctuaries are owned by the Islands Trust Fund and managed for ecological preservation.

- **McFadden Creek Nature Sanctuary (5 hectares)**

Between 1998 and 2002, the Islands Trust Fund worked in partnership with the Wild Bird Trust of B.C. and the Waterbird Watch Collective to raise funds for the acquisition of the McFadden Creek property on Salt Spring Island. In 2014, the property transferred to the Islands Trust Fund to be managed as a nature sanctuary in perpetuity. The sanctuary protects a forest of western red-cedar and Douglas-fir, as well as large cottonwood, big-leaf maple and trembling aspen trees, and was previously home to a substantial Great Blue Heron rookery. Also in 2014, the Salt Spring Island Conservancy registered a conservation covenant on the property, providing local oversight of the long-term stewardship of the land.

2014-2015 Conservation Covenant Donations

Covenants are the best conservation tool currently available to permanently protect natural features on private property while allowing landowners to retain ownership of their land. The Islands Trust Fund also offers Islands Trust Area landowners the Natural Area Protection Tax Exemption Program (NAPTEP), a covenant program that provides landowners with an annual 65 per cent property tax reduction on portions of their land protected by a conservation covenant.

- **Old Divide NAPTEP Covenant (0.8 hectare)**

In 2014 Larry Appleby became Salt Spring Island's 10th landowner to permanently protect private land with a NAPTEP covenant. With the addition of Mr. Appleby's 0.8-hectare Coastal Douglas-fir forest on Old Divide Road, Salt Spring Island now has 45 hectares of land protected by NAPTEP covenants. With approximately 80 percent of the Coastal Douglas-fir area in B.C. under private ownership, landowners like Mr. Appleby are the leaders essential to conserving this disappearing ecosystem.

- **Salt Spring Island Covenant (0.3 hectare)**

A Salt Spring Island resident donated a covenant in 2015 to protect both the natural and cultural features of her land. A quiet, forested part of her property contains a First Nations burial site. By registering a covenant on the land, her commitment to protect the remains has been formalized and both the natural and cultural features will be preserved forever.

Goal 2: Protect Biodiversity in Working Landscapes

The Islands Trust Fund is currently researching ways that biodiversity priorities can be conserved on lands outside core conservation areas, including working landscapes. Agriculture, forestry and residential development are important parts of island life and the Islands Trust Fund encourages land uses that respect and maintain the health and integrity of island ecosystems.

Goal 3: Conserve Marine Ecosystems

The Islands Trust Fund works with partner organizations to conserve marine ecosystems and habitats. In 2014-2015, the Islands Trust Fund and partners the Seagrass Conservation Working Group and SeaChange Marine Conservation Society completed mapping eelgrass beds in the waters surrounding all of Canada's islands in the Salish Sea.

Goal 4: Encourage Local Governments to Prioritize Biodiversity (Strategic Plan 1.1.3)

The Islands Trust Fund strives to work with the Islands Trust Council, local trust committees and island municipalities to implement regional conservation goals and objectives within Official Community Plans and Land Use Bylaws. In 2014-2015, the Islands Trust Fund provided ongoing support for Islands Trust Local Planning Services' use of sensitive ecosystem mapping in Official Community Plans and Land Use Bylaws. The Islands Trust Fund distributed new nearshore habitat mapping to local trust committees to inform land use planning in communities interested in protecting shoreline habitat.

Goal 5: Empower Islanders to Conserve the Islands

Stewardship Education

The Islands Trust Fund encourages islanders to get involved in conserving and stewarding private land by supporting conservation education and sharing information on best practices. In 2014-2015, the Islands Trust Fund promoted private land conservation in newspaper articles, through its website, the Heron newsletter (printed and online), e-news updates to subscribers, Facebook posts and Twitter. A brochure about conservation opportunities on Lasqueti Island was mailed to all landowners on that island. The Islands Trust Fund also distributed information to islanders by hosting a display booth at Squitty Bay Day on Lasqueti Island. Islands Trust Fund brochures are also available in local libraries, on ferries, real estate offices and various other offices and businesses throughout the islands.

Goal 6: Building Strong Conservation Partners

The Islands Trust Fund strives to support and enhance the work of conservation partners working in the Islands Trust Area. In 2014-2015, the Islands Trust Fund worked with the Lasqueti Island Nature Conservancy on a landowner outreach program to promote conservation options. Islands Trust Fund also worked closely with the Thetis Island Nature Conservancy on their first land acquisition project.

- **Opportunity Fund** The Opportunity Fund raises public support for key opportunities to protect biodiversity in the Islands Trust Area. The fund provides support for 'hard to fundraise' costs associated with land protection or to leverage increased donations for specific land acquisition projects. Grants from the Opportunity Fund support acquisitions led by either the Islands Trust Fund or our partners. The disbursement of funds is guided by the Regional Conservation Plan and each opportunity is considered by the Trust Fund Board.

In 2014-2015, the Opportunity Fund received \$2,977.76 in donations and the Trust Fund Board distributed the following Opportunity Fund grants:

- \$1,300 to the Galiano Conservancy Association for appraisal costs associated with the transfer of Finlay Lake to their conservancy.
- \$2,500 to the Salt Spring Island Conservancy towards the baseline inventory and appraisal costs associated with the acquisition of a 2.34-hectare property adjacent to the Blackburn Lake Nature Reserve.
- **Geographically Restricted Funds**
Some people who donate to the Islands Trust Fund prefer to designate their donation to a specific project or island. To accommodate this request, the Trust Fund Board has the ability to hold geographically-specific accounts, and has previously created funds for both Lasqueti Island and Gambier Island. In 2014-2015, the Islands Trust Fund received a donation of \$96,050 to create a Thetis Island Acquisition Fund, which will be used to acquire the first nature reserve on the island.

Goal 7: Take Care of What We Have

Acquiring a property or signing a conservation covenant is just the first step in ecosystem protection. The Islands Trust Fund monitors and manages its core conservation areas to maintain and enhance existing biodiversity features and support ecosystem functionality.

Property Monitoring and Management

The Islands Trust Fund monitors and manages its nature reserves according to management plans that identify long-term conservation, as well as restoration goals. In 2014-2015, the Islands Trust Fund undertook the following property monitoring and management projects:

- Property monitors visited all 95 places protected by the Islands Trust Fund to ensure compliance with covenants.
- Removed exotic and invasive species from the Morrison Marsh Nature Reserve, Inner Island Nature Reserve and Lindsay Dickson Nature Reserve (Denman), Trincomali Nature Sanctuary and Vanilla Leaf Land Nature Reserve (Galiano) and Elder Cedar Nature Reserve (Gabriola).
- Commissioned an ecological survey for Valens Brook Nature Reserve (Denman) and Burren's Acres Nature Reserve (Gabriola), and species-at-risk surveys at Vanilla Leaf Land Nature Reserve (Galiano).
- Adopted 10-year management plans for Mt. Tuam Protected Area Covenant (Salt Spring) and updated the Management Plan for Horton Bayviary (Mayne).
- Commissioned trail building on Mt Trematon Nature Reserve (Lasqueti) and trail upgrades at Singing Woods Nature Reserve (Bowen), Morrison Marsh Nature Reserve (Denman), Elder Cedar Nature Reserve (Gabriola).
- Continued Sharp-tailed Snake and Cormorant nest monitoring program at Trincomali Nature Sanctuary (Galiano).
- Continued the planting project begun in 2012 at Long Bay Wetland Nature Reserve (Gambier). Naturally regenerating tree seedlings were caged to prevent deer browse. Ongoing monitoring of planting success. Ongoing monitoring of planting projects at Lindsay Dickson Nature Reserve (Denman) and Mt Trematon Nature Reserve (Lasqueti).
- Interpretive signage and split rail fencing placed to discourage soil compaction and damage to roots around ancient tree at the Elder Cedar Nature Reserve. Restoration to introduce plants back into the understory (Gabriola).
- Signage installed to deter trespass and mountain biking (David Otter Nature Reserve, Bowen), highlight new trails and state permitted activities (Vanilla Leaf Land Nature Reserve, Galiano).
- Dog waste containers installed at Medicine Beach Nature Sanctuary (North Pender) and interpretive kiosk underway.



photos: K. Mayes

5. Local Trust Committees and Bowen Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the *Islands Trust Act*, except for Bowen Island, which is an island municipality.

Each local trust committee has three members — two locally-elected trustees and one Executive Committee member who serves as the Chair. A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. The responsibilities include preparation and adoption of Official Community Plans, Land Use Bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Local Government Act*.

The Bowen Island Municipality is served by a seven-member Council, which holds broad municipal powers including land use planning. Two of the municipal councillors are elected to Trust Council by the community.

Ballenas-Winchelsea Islands (Executive) Local Trust Committee

In 2014-2015, the Executive Committee acting as a Local Trust Committee (Ballenas-Winchelsea Islands) held three regular business meetings and two Public Hearings. Both Public Hearings concerned the adoption of the first Official Community Plan (OCP) and Land Use Bylaw (LUB) for the islands.

The Ballenas-Winchelsea Island OCP and LUB received Third Reading in April 2014, and the OCP has been forwarded to the Minister of Community, Sport and Cultural Development for approval prior to adoption. The Local Trust Committee looks forward to adoption of the OCP and the LUB for enhanced protection and preservation of these relatively undisturbed areas of the Trust.

Bowen Island Municipality

Councillors Alison Morse and Sue Ellen Fast represent Bowen Island Municipality on the Islands Trust Council. Bowen Island Municipality produces its own annual report, which can be found online at www.bimbc.ca.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee held nine regular business meetings in the 2014-2015 fiscal year, as well as one Community Information Meeting (CIM) and one Public Hearing. Work for this period focused on addressing housing needs on the island as well as implementation of the Riparian Areas Regulation (RAR).

Public consultation in 2014 focused on completing the review of OCP housing policies and the development of amending bylaws to allow for the implementation of secondary suites and dwelling units. Draft bylaws to amend the Official Community Plan and Land Use Bylaw were presented at a June 10, 2014 Community Information Meeting, which was followed by a Public Hearing. The bylaws received final reading in November of 2014. (Strategic Plan 4.3.1, 4.3.2), (Policy Statement 5.8.6)

Stream mapping was completed for the five remaining RAR applicable watersheds to complete the first necessary step towards complying with the provincial Riparian Areas Regulation. A public open house was held in September of 2014. At that meeting the results of the watershed mapping was overlaid upon the existing development permit area mapping of Development Permit Area 4: Streams, Lakes and Wetlands and newly amended development permit area mapping and draft amending bylaws presented for community review and comment. A Community Information Meeting was scheduled for April 2015 to review the incorporation of feedback from the open house as well as agency referral comments. (Strategic Plan 1.3.3, 3.3), (Policy Statement 3.3.2)

Advocacy was also undertaken to address the impacts of increased industrialization of shellfish aquaculture and the Local Trust Committee considered various regulatory initiatives to place controls on potential harmful practices. (Policy Statement 3.4.4)

Gabriola Island Local Trust Committee

In 2014-2015, the Gabriola Island Local Trust Committee (LTC) held 10 regular business meetings, three special meetings, two Community Information Meetings and three Public Hearings.

Over the past year, the Gabriola Local Trust Committee gave third reading to a number of bylaws as part of a broader Official Community Plan and Land Use Bylaw review. Projects included the rezoning of lands from forestry to parks (Islands Trust Policy 3.2.3), climate change initiatives that reduced parking requirements and encouraged pedestrian linkages in commercial areas (Islands Trust Policy 3.1.5), agricultural and agri-tourism policies to support small-scale farming (Islands Trust Policy 4.1.5), and implementation of the Riparian Areas Regulation (Islands Trust Policy 3.3.2). Following this work, the LTC issued a development permit for one new major commercial building in the Village core that includes reduced parking requirements as per the new climate change bylaws.

The Gabriola LTC continues to work with other agencies on shared objectives. The LTC contributed \$6,250 to a joint project between the Regional District of Nanaimo and Simon Fraser University to map the Island's groundwater (Islands Trust Policy 4.4.2) and looks forward to continuing to support this work in the coming year. In February 2015 Islands Trust staff made a presentation at the second session organized by the Village Vision community group and will continue to participate in this process along with other government agencies (Islands Trust Policy 5.5.1).

Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee held nine regular business meetings, three special meetings and three Public Hearings. The Local Trust Committee received and considered applications or referrals for two rezonings, six development permits, one Agricultural Land Reserve application, one temporary use permit, one referral of a cellular tower proposal, and three development variance permits.

The Local Trust Committee also advanced several applications received in the previous period, most notably a rezoning of a Forest zoned property on North Galiano to permit the development of five residential lots, one forest lot, and two large remainder parcels to be transferred to the province (BC Parks) to be added to Bodega Ridge Provincial Park and to the Capital Regional District for a community park.

Projects completed during this period included significant updates to an existing development permit area for the protection of groundwater (Strategic Plan 3.3 and Islands Trust Policy Statement directive policy 4.4.2), and adoption of guidelines for Temporary Use Permits for short-term vacation rentals. Projects were also initiated to permit secondary suites, to review cottage floor area and to permit home-based contractor businesses.

Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee held seven regular business meetings in the 2014-2015 fiscal year as well as three Community Information Meetings and two Public Hearings. These meetings were held in Gibsons, West Vancouver, and on both Keats and Gambier Islands.

The focus areas of the Local Trust Committee were the promotion of shoreline protection and following up on advocacy policies reflected in the Official Community Plans in response to the industrial and foresting projects proposed for the Local Trust Area. The Local Trust Committee also continued to participate as a member of the Howe Sound Community Forum and focused on advocating for a comprehensive management plan for Howe Sound.

In the 2014-2015 fiscal year, the Local Trust Committee prepared education materials and outreach activities related to shoreline protection, providing residents and local contractors with information and mapping to promote soft shoreline development. In addition, together with Bowen Island Municipality, the Local Trust Committee commissioned forage fish mapping for Gambier, Keats, and Bowen Islands.

Stream mapping was completed for a number of basin watersheds on Gambier, Keats, and Anvil Islands with a view to determining applicability to the Riparian Areas Regulation, and providing a first step towards complying with this provincial legislation. This work will continue into 2015.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee held eight regular business meetings, as well as one special meeting, one Community Information Meeting (CIM) and two Public Hearings for this fiscal period. A focus for this period was the completion of the public consultation process for the review of the current Official Community Plan (OCP) and Land Use Bylaw (LUB). The CIM was held in May and was followed by a Public Hearing for the proposed OCP and LUB in July. The proposed OCP and LUB bylaws were submitted to the Ministry of Culture, Sport and Community Development in September 2014, and are currently awaiting Ministerial approval prior to adoption by the Local Trust Committee.

In 2014, the stream mapping and watershed assessments were completed for the remaining unmapped portion of the Beulah Creek watershed as well as three other Riparian Areas Regulation applicable watersheds. A series of four open houses were held in July to allow public review of the completed watershed assessments and mapping. Draft bylaws were presented to the Local Trust Committee at its October meeting and subsequently sent out for early referral to stakeholders and agencies.

Lasqueti Island Local Trust Committee

In 2014-2015, the Local Trust Committee held five regular business meetings, three Community Information Meetings and one Public Hearing. The focus areas of the Lasqueti Local Trust Committee continued to be on the False Bay parking issue and riparian area protection through implementation of provincially-mandated regulations.

After much inter agency discussion and community consultation, the False Bay Parking and Master Plan project was redirected in order to specifically assist with alleviating parking congestion in the False Bay area. The Local Trust Committee gave third reading to an amendment bylaw to allow parking as a home occupation.

Moving forward with a setback and screening regulation approach to become compliant with the Riparian Areas Regulation, as endorsed by the Local Trust Committee, two Community Information Meetings were held and further mapping was undertaken.

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee held eight regular business meetings, two special meetings, three Community Information Meetings and two Public Hearings. The local trust committee considered applications for one rezoning and two temporary use permits.

Projects initiated, conducted or completed during this period included work on bringing the Local Trust Committee's bylaws into compliance with the *Riparian Areas Regulation (Strategic plan 1.3 and Islands Trust Policy Statement policy 3.3.2)*, a project to review policies to support fallow deer eradication, amendments to permit and regulate secondary suites, amending potable water requirements for boundary subdivisions, and initiating a series of technical amendments to the Official Community Plan and Land Use Bylaw.

North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee held 10 regular business meetings, one special meeting and two Public Hearings. The Local Trust Committee received and considered applications or referrals for one rezoning, six development permits, one Agricultural Land Reserve application, two temporary use permits, and three development variance permits.

The Local Trust Committee also advanced several rezonings applications received in the previous period.

Projects during this period included a review of subdivision regulations to permit conservation subdivision design layouts, completion of Land Use Bylaw technical amendments and shoreline educational material, and commencement of new projects to review land use issues associated with waste management, housing affordability, and development of an age-friendly community plan funded through a UBCM grant.

Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SSI LTC) held 12 regular business meetings, two special business meetings, four Public Hearings and six Community Information Meetings.

Recognizing Ganges as the commercial, social, cultural and institutional heart of Salt Spring Island, the Local Trust Committee established 'Ganges Village Planning' a priority to create a local area plan to guide future development. In order to realize the longstanding community goal of a continuous harbourside walkway, the Local Trust Committee has focussed the initial phase on completing the Ganges Boardwalk. (*Strategic Plan: 4.5.2*)

The Local Trust Committee continues to advance work on collaborative watershed management by working with other agencies through coordinating the Salt Spring Island Watershed Protection Authority (SSIWPA). SSIWPA members began developing an Integrated Watershed Management Plan for St. Mary Lake through a structured decision-making process. During the process, SSIWPA members experienced a conflict regarding whether or not to publicly discuss potential water quality impacts arising from raising the weir 0.3 metres at Duck Creek, the outflow of St. Mary Lake. The Local Trust Committee lead SSIWPA in resolving the conflict ensuring an open and transparent dialogue while also recognizing the autonomy of the local water district to raise the weir. SSIWPA has also begun considering plans for other drinking watersheds as well as addressing water quantity issues. (*Strategic Plan: 3.4.1, 3.4.2*)

In November 2014, the Local Trust Committee forwarded proposed bylaws implementing the Riparian Areas Regulation within the Salt Spring Island Local Trust Area to the Ministry of Community, Sport and Cultural Development for approval. Upon ministerial approval, the bylaws will return to Salt Spring for adoption. (*Strategic Plan: 1.3.6*)

In January 2015, the Local Trust Committee received a Final Report from the Industrial Advisory Planning Commission (IAPC) recommending changes to the Land Use Bylaw that would encourage socio-economic diversity and enhance community economic sustainability and security on Salt Spring Island by meeting the needs for commercial industrial lands for the next 25 years. (*Strategic Plan: 4.5.1*)

Other Local Trust Committee projects include implementation of a secondary suites pilot and water quality protection for residents in the Fort Street/ Walker's Hook area. (*Strategic Plan: 4.3.2, and 3.3.2/3.3.3 respectively*). The Local Trust Committee also considered heritage of First Nations sites, specifically on Grace Islet. Grace Islet is a First Nations burial site off Ganges Harbour on Salt Spring Island, on top of which a luxury home was being built in 2014. Trustees, along with local First Nations and other locally-elected officials, objected to the development. The collective action led to the announcement on January 15, 2015 from the province of BC of its purchase of Grace Islet and its partnership with the Nature Conservancy to ensure its protection as a sacred First Nations burial site. (*Strategic Plan: 5.1.4*)

The Local Trust Committee considered some notable development applications in 2014-2015, including one rezoning application for 50 guest-accommodation cottages on Bullock Lake that did not proceed past first reading of a bylaw. However, the applicant was able to successfully receive a building permit for the same cottages under the legal non-conforming status. Other significant rezoning applications, including a proposal for 80 affordable housing units, have been stalled in 2014 due in part to the moratorium on new community water system connections in the North Salt Spring Waterworks District (NSSWD). NSSWD provides over 2,000 customers with water sourced from St. Mary Lake and Maxwell Lake. Draft results of hydrological studies confirm both lakes have been fully allocated and that neither lake has enough water to support any additional water licenses. Understanding demand management of these and other community water resources is being scoped for inclusion in the watershed management work program. Progress was also made on the Salt Spring Island Area Farm Plan through approval for a new farm produce centre for storage, processing and distribution of Salt Spring Island agricultural produce, as well as a renewed temporary use permit, and subsequent rezoning application, for the Salt Spring Island abattoir.

Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee held six regular business meetings, four special meetings and one Public Hearing. The Local Trust Committee received and considered applications for one development permit and one development variance permit.

Projects considered during this period included reviews of Official Community Plan policies pertaining to the Community Amenities Density Reserve, secondary suites and guidelines for Temporary Use Permits for short-term vacation rentals.

South Pender Island Local Trust Committee

The South Pender Island Local Trust Committee held five regular business meetings. The Local Trust Committee received and approved one application for a development variance permit.

The Local Trust Committee continued to review its current Land Use Bylaw (LUB) creating community focus groups to identify amendments. After local elections, the new trustees identified the LUB Review as its top priority.

Thetis Island Local Trust Committee

In 2014-2015, the Thetis Island Local Trust Committee held six regular meetings with a continued focus on shoreline protection and education and completion of an Official Community Plan (OCP) and Land Use Bylaw (LUB) for Thetis Local Trust Area "Associated Islands", the group of 10 small, developed islands in the Thetis Trust Area with no OCP and no recent LUB.

Since 2013, Thetis Island has been a pilot area and project lead for the "Green Shores for Homes" program, an innovative shoreline protection initiative that provides community with information and mapping to promote voluntary stewardship of shorelines. In June 2014, Thetis Island hosted a Green Shores Scenarios Workshop that brought together local contractors, biologists and engineers, affected property owners, other government agencies, and realtors to explore three sites on Thetis Island dealing with different shoreline erosion situations.

The hands-on day provided participants with a better understanding of the feasibility of pursuing softer shoreline approaches that protect the riparian and shoreline ecosystems.

In August, the Local Trust Committee held a Community Information Meeting and Public Hearing for the OCP and LUB for the Thetis Trust Area Associated Islands, which are located in the Cowichan Valley Regional District between Chemainus and Valdes Island (Dayman, Hudson, Pylades, Reid, Ruxton, Scott, Tree, and Whaleboat Islands). Prior to the Public Hearing, Bute Island and Dunsmuir Island were removed from the OCP/LUB due to First Nations concerns, leaving eight of the islands listed above. The LTC plans to re-insert these two islands into the Plan Area upon completion of a stakeholder planning process with property owners and the Stz'uminus Nation. The Local Trust Committee referred the Official Community Plan to the Minister of Community, Sport and Cultural Development for approval and looks forward to receiving a positive response in the near future.

An extensive process has been underway with property owners, staff and the Local Trust committee on Thetis Island since 2012 with regard to implementing the Riparian Areas Regulation on Thetis Island and the Local Trust Committee aims to complete this work in 2015.



photos: (L) K. Mayes, (R) S. Cermak

6. Climate Change Action

Climate change will have serious consequences on our island ecosystems, from oceans to shorelines to forests, and on the economies and communities that depend on them. Islands Trust Council's strategic plan (1.6) maintained the goal of reducing greenhouse gas emissions in the Islands Trust Area and directed action in three areas to honour our commitments under the B.C. Climate Action Charter.

For the third year, the Islands Trust achieved carbon neutrality in its operations through performing an emissions inventory and purchasing carbon offsets to achieve neutrality. Emissions in 2014 were 55 tonnes of CO₂, down 15 percent from 65 tonnes in 2013. Those emissions are neutralized by purchasing carbon offsets through the Community Carbon Marketplace, an initiative of the Cowichan Energy Alternatives Society, which helps grow the local low-carbon economy.

The Islands Trust has taken a number of steps to reduce its operational carbon footprint:

- Encouraging trustees and staff to share vehicles and use the Victoria and Nanaimo Car Share Programs;
- Using paperless meeting management software to reduce paper consumption;
- Conducting meetings over the web rather than travelling to meetings; and
- Staff exploring options within B.C.'s Leading Workplace strategies in order to lower our office footprint and reduce employee and Trustee travel.

Local Trust Committees continue to explore innovative ways of using new planning tools (Bill 27) to implement Official Community Plan policies that would reduce greenhouse gas emissions. Gabriola Local Trust Committee has amended its Land Use Bylaw to implement climate change policies in the OCP. Salt Spring Island Local Trust Committee has undertaken community work to further climate action and energy reduction. Salt Spring Island and Gambier local trust committees have now amended their meeting procedures bylaws to allow electronic meetings, thereby reducing travel.

The Trust Fund Board continues to protect land with high carbon storage and has completed Eelgrass mapping for the whole Trust Area, which will facilitate better protection of this essential ocean-based carbon sink. Detailed information is contained in our Climate Action Revenue Incentive Public [Report](#) for 2014 located on our website. (*Strategic Plan 1.6.2*)

7. Administrative Fairness

Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There were four complaints in 2014-2015 regarding staff, local trustees and local trust committee procedures. These complaints were handled according to the Islands Trust Council's policy. Complainants who are unsatisfied with the outcome of the Islands Trust's complaint handling procedure are advised of the option of making a complaint to the B.C. Office of the Ombudsperson. In 2014-2015, the Office of the Ombudsperson did not receive any complaints about the Islands Trust.

8. Legal Action

In accordance with Islands Trust policies, enforcement actions are primarily triggered when the Islands Trust receives complaints from community members that indicate that individuals or corporations are not complying with the land use regulations that their locally-elected representatives have adopted. Efforts are then made to investigate complaints, educate violators and obtain voluntary compliance with a community's bylaws. In most cases, violators have a variety of options, including ceasing or amending their operations, or applying for variances or required permits.

Islands Trust staff estimate that more than 90 per cent of its bylaw investigation files are resolved before legal action is required. Legal action is only taken after other avenues to achieve compliance have failed. Local trust committees may request legal action if other avenues for achieving bylaw compliance fail. The Executive Committee considers and is responsible for approving the funding of any legal action requested by a local trust committee.

During 2014-2015, the Galiano, North Pender, and Gambier Island local trust committees concluded several legal actions, which were intended to protect the foreshore from unlawful development and use. As a result of these four legal actions, court orders were acquired ensuring unlawful seawalls and other structures will be removed from below the high water line and from the upland setback areas from the sea. Three of the four court orders were negotiated by consent. These legal actions highlight the importance local trust committees place on protecting the foreshore from inappropriate development.



Islands Trust

Preserving Island
communities, culture
and environment

Our Provincial Mandate

"to preserve and protect the
trust area and its unique
amenities and environment for
the benefit of the residents of the
trust area and of British
Columbia generally, in
cooperation with municipalities,
regional districts, improvement
districts, other persons and
organizations and the
government of British Columbia"

- Islands Trust Act



Islands Trust Council — Strategic Plan 2011-2014

Adopted September 12, 2012 - Status Updated - November 16, 2014

The Trust Area

The Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox. This is a unique and special place composed of 13 major islands and more than 450 smaller islands covering approximately 5200 square kilometres.

The beauty, tranquility, and sometimes fragile natural environment of the islands in the Strait of Georgia and Howe Sound, characterized by an exceptional variety of species, have given the area national recognition.

The islands support strong communities characterized by a mix of lifestyles, livelihoods and individuals. Island residents bring unique skills, viewpoints and sense of place together to sustain a tradition of community involvement.

Our Council

The Islands Trust Council has a unique mandate from the province to preserve and protect the amenities and environment of the Islands Trust Area, for the benefit of residents and all British Columbians. It meets quarterly to make decisions about the Islands Trust's overall policy, advocacy positions, staff resources and budget. Trust Council is made up of the 26 locally-elected trustees who also sit on 12 local trust committees and one island municipality. There they have responsibilities for land use planning and regulatory decisions that are separate from their role at the Islands Trust Council. The current Council was elected for a 3-year term during BC Local General Elections in November 2011. Trustee terms will end in November 2014.

A Strategic Plan for the 2011-2014 term

The Islands Trust Policy Statement is partially implemented through Council's strategic plan. By identifying goals and developing a plan to achieve them, Council focuses finite resources and measures progress. After extensive review and public input, Trust Council has confirmed the following focus areas for its 2011-2014 term:

Goal A - Ecosystem Preservation and Protection

The Islands Trust will work to protect the natural environment of islands by:

- Encouraging and enabling islanders in voluntary stewardship actions that protect special areas, including the shoreline
- Working to protect fish habitat under BC's Riparian Areas Regulation
- Protecting special ecosystems, managing shoreline areas and reducing greenhouse gas emissions when land use decisions are made
- Advocating for new approaches to oil spill preparedness, derelict vessels, industrial developments, aquaculture, marine sewage and national marine conservation

Goal B - Stewardship of Island Resources

The Islands Trust will focus on good management of island water resources by:

- Encouraging voluntary stewardship, advocating for legislative reform and exploring creative solutions for watershed management
- Using land use planning tools and decisions to protect the quality and quantity of water resources

Goal C - Sustain Island Character and Healthy Communities

The Islands Trust will work to enhance the economic sustainability and security of island communities by:

- Creating linkages between islanders and regional districts to share effective economic development models
- Continuing to advocate for sustainable, affordable and appropriate ferry services
- Using land use planning tools and decisions to positively affect housing, food security, farmland protection, and socio-economic diversity.

Goal D - In Cooperation with Others

The Islands Trust will work with others by:

- Strengthening relations with the many First Nations who have interests in the Islands Trust Area, through improved liaison at the political level and communications about marine advocacy.
- Continually working to improve our organizational effectiveness.

Shaded text=activities primarily achieved in the current or prior fiscal years or proposed for future fiscal years and subject to future budget decisions;
Italics – status updates since last Trust Council meeting

NOTE: Status column is colour-coded to provide a quick visual indicator, as follows:

	Not due to start or awaiting actions of others
	Completed
	In Progress – On Target
	Partially In Progress – Partially On Target (i.e. on target, by one or few LTCs)
	In progress – Behind Target (e.g. not funded, delayed by other priorities, actions of others etc.)
	Not started – Behind Target

Policy Statement Goal A: Ecosystem Preservation and Protection...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
1 PROTECT the natural environment of islands	1.1 Encourage voluntary stewardship of natural environment	FY 2011/12 - 2014/15 1.1.1 Promote community participation in conservation through information sharing and education about private land stewardship options	TFB	Subject to funding in annual budgets or grant funding	By whether the Islands Trust Fund is actively promoting its conservation programs at community events, in publications and online	Ongoing
		FY 2012/13 – 2014/15 1.1.2 Share information about best practices for covenants and NAPTEP with all planning staff	TFB	Funded by base budget	By whether planners have been provided with covenant education opportunities and whether information is available through the Islands Trust Fund website	Website information complete NAPTEP info shared; ITF presentation to LPS not started.
		FY 2012/13 – 2014/15 1.1.3 Improve and update mapping of natural and modified environments, including terrestrial ecosystem mapping, protected area networks, nearshore mapping and areas under sustainable forestry or sustainable agricultural use.	TFB	Funded by program budget of 22K in 2013/14 and \$25K in 2014/15 for eelgrass mapping; \$10K in 2013/14 for forage fish mapping, as well as matching funds secured by partners	By whether maps of natural and modified environments are available to LTC's and BIM, RDs, local conservancies and other partners	Draft Protected Area Network mapping available; eelgrass mapping will be complete for whole Trust Area in mid Dec. Forage fish habitat mapping completed for North and South Pender, Denman, Hornby, Thetis, Bowen and Gambier.
		FY 2013/14-2014/15 1.1.4 Research and develop a pilot landowner contact program in collaboration with a local conservancy	TFB	No external funding secured; working within base budget	By whether a landowner contact pilot program is implemented	Outreach via mail complete. Site visits on Lasqueti underway.
		FY 2011/12 - 2014/15 1.1.5 Support island-based land trusts with partnerships, funding and capacity building opportunities	TFB	Funded by base budget and donations	By the number of island conservation projects supported from private donations through the Opportunity Fund	Grants awarded in 2011-14: Galliano Conservancy Association (\$7,000), Lasqueti Island Conservancy (\$2,500), Thetis Island

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
						Conservancy (\$2,100), Pender Island Conservancy (\$5,000), Salt Spring Island Conservancy (\$5,000), Mayne Island Conservancy (\$3,450), Galiano Conservancy Association (\$1,300), Salt Spring Island Conservancy (\$2,500)
						Opportunity Fund Income: 2011/12 \$7,151, 2012/13 \$9,322, 2013/14 \$9,816, 2014/15 to date \$2,044.
						Complete
						Complete
						Complete. BIM declined for 2011/14 term.
						Complete
						Complete. Program launched on Gambier LTC islands. BIM declined for 2011/14 term.
						Mapping complete for Hornby. Gambier underway.
						Complete
						Complete

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?		IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
1.4 Establish reliable, adequate and sustainable funding for the Islands Trust Fund		additional riparian areas on Denman, Hornby and all remaining riparian areas on Salt Spring islands			\$71,000 RAR budget \$30,000 Sci/Tech budget		
		FY 2014/15 1.3.4 Improve mapping of additional riparian areas in Gambier LTA	LTCs**		Funded in 2014/15 program budget (\$30,000 mapping on Gambier LTA)	By whether new mapping of riparian areas is complete	RFP in preparation for Gambier LTA
		PHASE 3 - Adopt bylaws FY 2012/13 - 2014/15 1.3.5 Adopt new bylaws to implement RAR on selected islands (Gabriola, Lasqueti, Mayne, Salt Spring/Prevost, Saturna, Thetis)	LTCs**		Funded by 2014/15 program budget	By whether Gabriola, Lasqueti, Mayne Saturna and Thetis are RAR compliant through bylaw development	Saturna complete. Gabriola bylaw submitted for ministerial approval. Lasqueti & Thetis in progress. Mayne restarting work.
		FY 2014/15 1.3.6 Adopt new bylaws to implement RAR on all islands where still required (Ballenas/Winchelsea, Denman, Hornby, and Salt Spring)	LTCs**		Funded by 2014/15 program budget (\$17,500)	By whether Ballenas/Winchelsea, Denman, Hornby and Salt Spring are compliant with RAR through bylaw development	Denman bylaw given 1 st reading. Hornby bylaw drafted. SSI bylaw given 3 rd reading.
		FY 2014/15 - 2 1.3.7 Adopt new bylaws to implement RAR on all Lasqueti and Gambier watersheds	LTCs**		Subject to 2015/16 program budget	By whether all Gambier and Lasqueti watersheds are compliant with RAR through bylaw development	Project planning underway on Lasqueti
		FY 2012/13 - 2014/15 1.4.1 Seek legislative change regarding TFB corporate structure and name	EC	TFB	Funded by base budget	By whether legislative change has been requested	Chair correspondence sent Nov/12. Initial response received Feb/13. Minister unable to meet before end of 2011/14 term.
		FY 2011/12 - 2014/15 1.4.2 Engage in outreach to expand donor base, develop legacy giving program and secure acquisition funds	TFB*		Partially funded through 2012/13 program budget	By whether the TFB has implemented outreach regarding funding needs and legacy gifts	Complete: Information package distributed to estate planners
		FY 2015/16 1.4.3 Develop and implement strategy re changes to corporate structure and name	TFB		Subject to 2014/15 program budget	By whether TFB corporate status and name change has been implemented	Not started. Not due unless province makes legislative changes
		FY 2016/17 1.4.4 Review and launch long-term funding strategy	TFB		Subject to 2015/16 program budget	By whether the long-term funding strategy has been reviewed and launched	Not started. Not due unless province makes legislative changes
		FY 2011/12 - 2014/15 1.5.1 Map and prioritize high biodiversity areas and develop a strategy for protection	TFB		Funded by base budget	By whether the TFB has a prioritized high biodiversity areas, and developed a strategy including a funding needs assessment)	Mapping finalized; strategy in development
	1.5 Establish core conservation areas to protect biodiversity priorities						

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
		FY 2011/12 - 2014/15 1.5.2 Protect land with high biodiversity, through acquisition, donation, or conservation covenant	TFB*	Partial funding through base budget; acquisitions funded by donations and external grants	By whether the TFB has protected at least 500 hectares of high biodiversity land in the timeframe of the Regional Conservation Plan 2011-2015	133.7 hectares protected since 2011
		1.5.3 Participate in Coastal Douglas Fir and Associated Ecosystem Conservation Partnership	LTCs**	Funded by base budget	By whether one LTC is actively participating	Complete for 2013/14 term Gallano LTC participating. Endorsed by Council.
		FY 2012/13 - 2014/15 1.6.1 Use new planning tools (Bill 27) to reduce greenhouse gas emissions to implement OCP policies LTCs adopted last term (e.g. as illustrated in Council toolkit Reducing Greenhouse Gases in the Islands Trust Area)	LTCs**/BIM***	Funded in 2013/14 annual budget	By whether LTCs/BIM have used new planning tools to foster reduced GHG emissions from development	Gabriola bylaw to implement OCP policies submitted for ministerial approval.
	1.6 Reduce greenhouse gas emissions	FY 2012/13 - 2013/14 1.6.2 Develop policy regarding carbon-neutral operations and purchase of carbon credits to balance GHG emissions that cannot be eliminated	FPC	Funded by base budget	By whether Trust Council has adopted a policy	Complete
		FY 2013/14 - 2014/15 1.6.3 Develop a Renewable Energy Tool Kit	LPC	Funded by base budget	By whether elements of a Renewable Energy Tool Kit have been developed	Two reports complete: (Domestic Small Scale Wind Energy and Ocean Based Geo-Exchange). <i>Macro-hydro fact sheet in draft form.</i>
2. PROTECT coastal and marine ecosystems	1.7 Use land use planning tools and decisions to protect coastal Douglas fir and associated ecosystems	FY 2015/16 1.7.1 Develop recommendations re LTC use of planning tools to protect cdf and associated ecosystems	LPC	Subject to funding	By whether recommendations for planning tools have been prepared	Not due Not started
		FY 2012/13 2.1.1 Develop integrated shoreline and watershed protection mapping for major islands	LPC	Funded by external grants	By whether integrated shoreline and watershed protection mapping has been developed for major islands	Complete
	2.1 Encourage understanding of shoreline processes and voluntary stewardship of coastal and marine ecosystems	FY 2013/14 2.1.2 Identify and post updated website links regarding existing shoreline stewardship information	TAS	Funded by base budget	By whether website links have been updated	Complete

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?			IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
2.2 Participate in planning for National Marine Conservation Area Reserve	2.2 Advocate for protection of the Salish Sea and Howe Sound from oil spills, derelict vessels and industrial activities	FY 2013/14 - 2014/15 2.1.3. Pilot a Green Shores for Homes credit rating incentive system in one LTA	LTCs**		LPC	Funded by base budget and grant funds	By whether an LTC has piloted a Green Shores for Homes credit rating incentive system	Complete
		FY 2011/12 - 2013/14 2.2.1 Advocate for implementation of the NMCA reserve	EC			Funded by base budget	By whether the EC has continued to actively advocate for implementation of the NMCA reserve	Complete for 2011/14 term Resolution supported by TC in Dec 2012 Feb 2013 Chair letters to Ministers Lake & Kent
		2.2.2 Participate in NMCA workshops and consultation opportunities	LTCs**	TAS	EC	Funded by base budget	By level of participation in NMCA workshops and consultation opportunities	Complete. No further LTC input needed at this time
		FY 2014-15 2.2.3 Respond to NMCA implementation steps with complementary activities, as required	LTCs**			Funding allocated for enhanced SSI consultation	TBD	Not due Not started
		FY 2011/12 - 2014/15 2.3.1 Chair correspondence regarding oil spill prevention and response	EC			Funded by base budget	By whether the Chair has sent correspondence to advocate for oil spill prevention and response	Complete for 2011/14 term 2011: 7 letters sent 2012: 1 letters sent 2013: 3 letters sent 2014: 2 letters sent Related resolutions passed at UBCM 2012 and AVICC 2013 conventions
	2.3 Advocate for protection of the Salish Sea and Howe Sound from oil spills, derelict vessels and industrial activities	2.3.2 Chair participation through a 'letter of comment' to hearings related to Kinder Morgan tanker traffic	EC			Funded by base budget	By whether the Chair has sent a letter of comment regarding the Kinder Morgan pipeline proposal	NEB accepted application to participate as a commenter. Deadline delayed to Mar/15
		2.3.3 Chair participation in oral hearings related to tanker traffic increases	EC			Letter of comment would be funded by base budget	By whether the Chair has participated in oral hearings (i.e. Enbridge) related to tanker traffic increase	Complete
		2.3.4 Host local government workshops to raise awareness of gaps in oil spill prevention and response capacity	EC			Funded by base budget	By whether workshops have been held	Complete for 2011/14 term One workshop held at AVICC. Jan 2013 Chair presentation to Regional District Nanaimo Board. 2013: Chair presentation at San

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
						Juan County marine managers workshop 2014: Chair presentation at Pender Stewardship Day
		2.3.5 Participate in mock oil spill exercises to understand gaps in oil spill response capacity	EC	Funded by base budget	By whether participation has taken place	Complete Participation in two exercises in 2012 Staff observed transboundary oil spill exercise in 2014
		FY 2011/12 – 2014/15 2.3.6 Continue to advocate for senior government solutions to derelict vessels	EC	Funded by base budget	By whether the Islands Trust has continued to advocate for derelict vessel solutions	Islands Trust participation on derelict vessel working group is on-going resulting in the Province publishing 2 guides. 2013: 3 letters sent, organized resolution, clinic and meeting with Minister at UBCM; trustees invited to contribute to federal inventory 2014: 2 letters sent; trustees and staff invited to contribute to federal inventory
		FY 2011/12 – 2013/14 2.3.7 Advocate regarding potential impacts of the proposed Raven Coal Mine upon Baynes Sound	EC	Funded by base budget	By whether the Executive Committee has advocated regarding the proposed Raven Coal Mine	Complete May/13 EC EAO rejected proposal as submitted
		FY 2012/13 – 2014/15 2.3.8 Advocate regarding potential impacts of the proposed Burnco Gravel Mine upon Howe Sound	EC	Funded by base budget	By whether the Chair has written a letter to advocate regarding the proposed Burnco Gravel Mine	Complete Chair correspondence sent (Oct/13) Ongoing staff participation in Environmental Assessment Office working group
		FY 2013/14 – 2014-15 2.3.9 Advocate for a comprehensive Howe Sound management plan that ensures a balance between development and protection	EC	Funded by base budget	By whether the Chair has written in support of a comprehensive Howe Sound Management Plan	Complete; Chair and staff also attended meetings in 2013 and 2014.

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS **
		2.3.10 Provide ecosystem sensitivity mapping data to partners advocating for Howe Sound management plan	TAS	Funded by base budget	By whether mapping data has been offered	Complete
		FY 2013/14 – 2014/15 2.3.11 Clarify jurisdictional issues related to Islands Trust Area boundary	EC	Funded by base budget	By whether a method to clarify jurisdictional issues has been implemented	Complete (Trust Council policy approved)
	2.4 Advocate for appropriate regulation of aquaculture	FY 2013/14 – 2014/15 2.4.1 Meet with regulatory agencies responsible for shellfish activities in the Islands Trust Area	EC	Funded by base budget	By whether staff and the Executive Committee has met with regulatory agencies regarding shellfish activities	Complete for 2013/14 term Staff meetings held May-Dec/13 Briefings and legal advice to TC in June/14 2014: Chair letter re geoduck framework with maps
	2.5 Advocate for effective regulation of marine sewage	FY 2011/12 – 2014/15 2.5.1 Chair correspondence regarding marine sewage regulation	EC	Funded by base budget	By whether the Chair has written to advocate for regulation of marine sewage	Complete for 2011/14 term Research and mapping completed. Staff participated in stakeholders' meeting re Saanich Inlet Chair letter sent.

NOTE: Status column is colour-coded to provide a quick visual indicator, as follows:

Not due to start or awaiting actions of others
Completed
In Progress - On Target
Partially In Progress - Partially On Target (i.e. on target by one or few LTCs)
In progress - Behind Target (e.g. not funded, delayed by other priorities, actions of others etc.)
Not started - Behind target

Policy Statement Goal B: Stewardship of Island Resources...

TC	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
3. PROTECT quality and quantity of water resources	3.1 Encourage and voluntary stewardship of water resources	FY 2013/14 3.1.1 Compile and web-post educational materials about water resources done by local groups	TPC	Funded by base budget	By whether educational materials have been compiled and posted.	Complete
		3.1.2 Identify gaps and make recommendations about new educational materials about water resources.	TPC	Funded by base budget	By whether gaps have been identified and recommendations about new educational materials have been made	Complete. Staff and island water groups have not recommended new educational materials
	3.2 Advocate for provincial Water Act reform	FY 2011/12 - 2013/14 3.2.1 Continue to participate in Water Sustainability Act reform consultations	EC	Funded by base budget	By whether participation in Water Sustainability Act reform has taken place	Complete
	3.3 Use land use planning tools and decisions to protect water quality and quantity	FY 2013/14 3.3.1 Develop toolkit including model Development Permit Areas for use by LTCs/BIM that illustrates options for using planning tools to protect water quality and quantity	LPC	Funded by 2013/14 program budget (\$2500)	By whether a toolkit has been developed	Complete
		FY 2013/14 - 2014/15 3.3.2 Amend OCPs to include new policies for water resource protection	LTCs**/BIM***	Funded in 2013/14 program budget	By whether OCPs have been amended to include new policies about water resource protection	Galliano DAI bylaw adopted - addresses water protection. Galliano DPA bylaw re groundwater referred for ministerial approval
		3.3.3 Amend LUBs to include new regulations aimed at protection of water quality and quantity	LTCs**/BIM***	Funded in 2013/14 program budget	By whether LUBs have been amended to include new regulations aimed at protection of water quality and quantity	Initial water reports completed on Galliano
	3.4 Explore alternative tools for improving watershed management	FY 2012-13 3.4.1. Identify options within the Islands Trust Act for coordination of watershed protection	EC	Funded by base budget	By whether options have been identified	Complete

TC	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
		FY 2013-14 3.4.2 Consider pilot project for coordination of watershed protection within one LTA	LTCs**	Partially funded by base budget.	By whether a pilot project has been considered	Complete St. Mary Lake Watershed Working Group formed on SSIL June/13 - TC adopted bylaw to delegate some TC coordination and advocacy powers to SSILTC.

NOTE: Status column is colour-coded to provide a quick visual indicator, as follows:

	Not due to start or awaiting actions of others
	Completed
	In Progress - On Target
	Partially In Progress - Partially On Target (i.e. on target, by one or few LTCs)
	In progress - Behind Target (e.g. not funded, delayed by other priorities, actions of others etc.)
	Not started - Behind target

Policy Statement Goal C: Sustain Island Character and Healthy Communities...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
4. ENHANCE community economic sustainability and security	4.1 Create linkages between islands and Regional Districts to share effective and appropriate economic sustainability models	FY 2013/14 4.1.1 Half day session on Trust Area economic sustainability at Dec 2013 Council in Victoria, inviting all EA reps	TPC	Funded by base budget	By whether a joint-session has occurred	Complete
		FY 2013/14 4.2.1 Develop and implement research program in support of advocacy program	TPC	Funded in 2013/14 program budget (\$20,000)	By whether a research program has been developed and implemented	Complete
	4.2 Advocate for sustainable, affordable and appropriate ferry service	FY 2011/12 - 2014/15 4.2.2 Continue advocacy program regarding ferry fares and service.	EC	Funded by base budget	By whether advocacy actions have been taken in regards to ferry fares and service	Submissions sent to Transportation Ministers Chair meetings with Premier, Transportation Ministers, opposition critics and ferry commissioner - Fiscal Fairness campaign supported. Chair participating in UBCM sub-

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
						committee. Sept-Oct 2014: 3 letters sent Complete for 2011/14 term
		FY 2011/12 – 2014/15 4.3.1 Amend OCPs to include affordable housing policies	LTCs**/BIM***	Funded in 2014/15 program budgets	By whether OCPs have been amended to include new affordable housing policies	Hornby considering OCP amendments. Saturna OCP bylaw public hearing held. Mayne OCP bylaw received ministerial approval. SSI bylaw adopted to allow secondary suite. Bylaw for temporary portable homes in progress.
	4.3 Use land use planning tools and decisions to improve the availability of affordable, accessible, appropriate housing (as described in Trust Council's toolkit, Community Housing Toolkit)	4.3.2 Amend LUBs to improve availability of affordable housing	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether LUBs have been amended to improve availability of affordable housing	SSI LUB amended to legalize secondary suites in some locations. <i>Expansion of pilot area under consideration. Four affordable housing applications in progress.</i> Galiano, Mayne and N. Pender considering affordable/senior housing applications. Denman bylaw awaiting ministerial approval. Saturna bylaw public hearing held. <i>Secondary suites bylaw in public consultation. SSI consultation with CRD re housing agreements - completed.</i>
	4.4 Use land use planning tools and decisions to increase	FY 2012/13 – 2014/15 4.4.1 Amend OCPs to include food security and farmland	LTCs**/BIM***	Funded in 2014/15 program	By whether OCPs have been amended to address food security and farmland protection	Gabriola OCP submitted for ministerial approval.

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
	local food security and farmland protection (as described in Trust Council's 2010 report, Exploring Food Security in the Trust Area)	protection policies 4.4.2 Amend LUBs to improve food security	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether LUBs have been amended to improve food security	Gabriola LUB submitted for ministerial approval.
		FY 2013/14 – 2014/15 4.5.1 Amend LUB to ensure an appropriate supply of land zoned for emerging industrial and commercial needs in one LTA	LTCs**	Funded in 2013/14 program budget for one LTC (SSI) Funded requested in 2014/15 budget	By whether one LUB has been amended to ensure an appropriate supply of land zoned for emerging industrial and commercial needs	SSI APC report submitted to SSILTC
	4.5 Use land use planning tools to promote socio-economic diversity	4.5.2 Undertake background analysis regarding improved planning for Ganges Village, including Ganges Harbour	LTCs**	Funded in 2013/14 program budget for one LTC (SSI) Funded requested in 2014/15 budget	By whether background analysis work is proceeded	Project charter developed re boardwalk. Illustrative boardwalk designs completed.

NOTE: Status column has now been colour-coded to provide a quick visual indicator, as follows

	Not due to start or awaiting actions of others
	Completed
	In Progress – On Target
	Partially In Progress – Partially On Target (i.e. on target, by one or few LTCs)
	In progress – Behind Target (e.g. not funded, delayed by other priorities, actions of others etc.)
	Not started – Behind target

Goal D: In cooperation with others...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
5. STRENGTHEN relations with First Nations	5.1 Improve engagement with First Nations	FY 2011/12 – 2014/15 5.1.1 Reallocate resources to enable adoption of a First Nations Engagement Strategy	TAS LPS	Funded by 2011/12 program budget	By whether Trust Council has reallocated resources to enable adoption of a First Nations Engagement Strategy	Draft Strategy complete. Related resources not included in current budget
		FY 2012/13	EC	Funded by	By whether a trustee workshop	Complete

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
6. IMPROVE organizational cost and operational effectiveness	6.1 Confirm a fair distribution of Islands Trust Services to Bowen Island Municipality	5.1.2 Trustee workshop on working with aboriginal peoples FY 2013/14		2012/13 program budget	has been held	Complete
		5.1.3 Identify resource needs for improved FN engagement	EC	Funded by base budget	By whether the resource needs for improved engagement have been identified	Resources identified and business case completed for 2015/16 budget
		FY 2013/14-2014/15 5.1.4 Implement First Nations liaison improvements at an informal political level	LTCs	Funded by base budget	By the number of meetings trustees have attended to improve liaison with First Nations level	DILTC and staff discussions held with K'omoks FN. Chair liaison on-going.
		FY 2012/13 6.1.1 Review and amend Policy 7.2.vi (Municipal Requisition Cost Allocations)	FEC	Funded by base budget	By whether Policy 7.2.vi has been amended	Complete
		FY 2012/13 - 2014/15 6.1.2 Identify Bowen Island Municipality needs for services provided by Trust Area Services unit	TAS	Funded by base budget	By whether BIM needs for TAS services have been identified	Complete for 2011/14 term. Initial discussion held Sep/12. Chair follow up sent Oct/12 and Jan/13. Awaiting BIM response
		6.1.3 Identify improved opportunities for BIM to access services provided through Trust Area Services unit	TAS	Funded by base budget	By whether opportunities for BIM to access TAS services have been identified	Complete for 2011/14 term. Pending requests from BIM. Staff follow up e-mail to CAO sent Jan/13. Awaiting BIM response
		6.1.4 Review budget lines to ensure accurate allocation of costs	FEC	Funded by base budget	By whether budget lines have been reviewed	Complete
		FY 2013/14 6.1.5 Provide additional TAS services to BIM	TAS	Funded by base budget	By whether BIM is accessing additional TAS services as identified	Complete for 2011/14 term. Improved notice of IT items to BIM. Pending requests from BIM. BIM staff invited to training opportunities.

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS**
	6.2 Prepare Island Trust organization to adapt to the potential incorporation of Salt Spring Island (if province advances a provincial restructure study for SSI)	FY 2013/14 6.2.1 Provide input into provincial study that assesses impact on Islands Trust of the potential incorporation of Salt Spring Island and identifies alternative adaptation strategies	EC	Funded and managed by province	By whether input has been provided	Complete for 2011/14 term. Input into study terms of reference complete. Input to consultants complete.
		FY 2014/15 - ? 6.2.2 Consider options and adopt an adaptation strategy, for Islands Trust to implement in the event of municipal incorporation of Salt Spring Island	FPC EC	Subject to future budgets	By whether options for an adaptation strategy have been considered and a preferred strategy adopted by Trust Council.	Awaiting provincial Impact Assessment report (Due in Mar/2015)
		FY 2015/16(?) - ? 6.2.3 Implement adopted adaptation strategy	EC	Subject to future budgets	By whether an strategy has been implemented to adapt to incorporation of SSI	Not started Not due unless SSI community passes a referendum to incorporate as a municipality
		FY 2015/16(?) 6.2.4 Review existing IT-MCSCD protocol agreement regarding incorporation of municipalities in the Islands Trust Area	EC	Funded by base budget	By whether the protocol agreement with the ministry has been reviewed and amended	Not started Not due unless a SSI restructure study is launched
		FY 2015/16 6.3.1 Consider development and use of a quality management system pilot on Salt Spring Island for processing of development applications	LTC**	Funded by program budget	By whether a quality management system has been considered by the SSILTC for one type of application process	Not started Not due
7. Improve cooperation with the Province of BC	7.1 Negotiate new protocol agreement and letter of understanding with the Ministry of Forests, Lands and Natural Resource Operations	FY 2014/15 - 2015/16 7.1 Revise and consolidate six agreements with the Province relating to Crown Land in the Islands Trust Area	TAS	Funded by base budget	By whether the protocol agreement with the ministry has been amended and approved by Trust Council and the Minister responsible.	Staff drafting project charter.

* subject to decisions of Trust Fund Board

**subject to decisions of local trust committees

***subject to decisions of Bowen Island Municipality

Abbreviations:

AVICC – Assoc. of Vancouver Island Coastal Communities
 BIM – Bowen Island Municipality
 cDI – coastal Douglas fir
 EC – Executive Committee
 FN – First Nations
 PPC – Financial Planning Committee
 FY – Fiscal Year
 IT – Islands Trust
 ITF – Islands Trust Fund
 ITFS – Islands Trust Policy Statement
 LGA – Local Government Act
 LPC – Local Planning Committee
 LPS – Local Planning Services
 LTA – Local Trust Area
 LTC – Local Trust Committee
 LUB – Land Use Bylaw
 MCSO – Ministry of Community, Sport and Cultural Development
 MVRD – Metro Vancouver Regional District
 NA – Not Applicable
 NEB – National Energy Board
 NAPTEP – Natural Area Protection Tax Exemption Program
 NMCA – National Marine Conservation Area
 OCP – Official Community Plan
 ProD – Professional Development
 RAR – Riparian Areas Regulation
 RD – Regional District
 RFD – Request for Decision
 SSI – Salt Spring Island
 TAS – Trust Area Services
 TBD – To Be Determined
 TC – Trust Council
 TFB – Trust Fund Board
 TPC – Trust Programs Committee
 UBCM – Union of BC Municipalities

For more information, contact:

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Visit our website at:
www.islandstrust.bc.ca

Colour	Potential committee/unit/body taking lead for a potential strategy
	Local Planning (through Local Planning Committee, Local Planning Services staff, Local Trust Committees or Bowen Island Municipality)
	Trust Programs Committee or Trust Area Services staff
	Executive Committee
	Trust Fund Board or Islands Trust Fund staff
	Financial Planning Committee

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2015

ISLANDS TRUST

Financial Statements

Year ended March 31, 2015

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the "Trust") are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

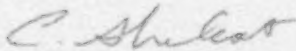
The Trust's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Trust's financial statements.



By: Ms. Linda Adams, Chief Administrative Officer



By: Ms. Cindy Shelest, Director of Administrative Services



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INDEPENDENT AUDITORS' REPORT

To the Trustees of Islands Trust and the Minister of Community, Sport and Cultural Development

We have audited the accompanying financial statements of Islands Trust, which comprise the statement of financial position as at March 31, 2015, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2015, its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

June 25, 2015
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

ISLANDS TRUST

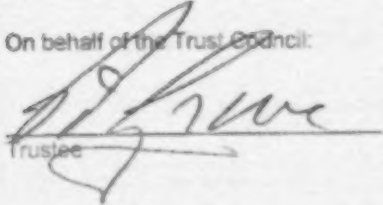
Statement of Financial Position

March 31, 2015, with comparative information for 2014

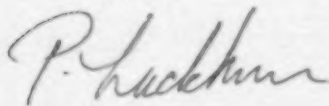
	2015	2014
Financial assets:		
Cash and cash equivalents (note 2)	\$ 2,758,947	\$ 3,696,156
Accounts receivable	86,384	55,271
Investments (note 3)	1,003,156	-
	<u>3,848,487</u>	<u>3,751,427</u>
Liabilities:		
Accounts payable and accrued liabilities	298,489	295,217
Wages and benefits payable	1,049,837	985,269
Deferred revenue	53,349	53,981
Employee benefit obligations (note 4)	81,224	94,538
Obligations under capital leases (note 5)	46,475	55,265
Cost recovery deposits (note 13(ii))	3,439	9,675
	<u>1,532,813</u>	<u>1,493,945</u>
Net financial assets	2,315,674	2,257,482
Non-financial assets:		
Tangible capital assets (note 6)	91,605	115,322
Prepaid expenses	59,190	52,273
	<u>150,795</u>	<u>167,595</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
Accumulated surplus (note 7)	\$ 2,466,469	\$ 2,425,077

The accompanying notes are an integral part of these financial statements.

On behalf of the Trust Council:



Trustee



Trustee

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	Budget (note 9)	2015	2014
Revenue:			
Property tax - general	\$ 6,126,685	\$ 6,126,685	\$ 6,066,025
Property tax levy - Bowen Island Municipality	214,654	214,654	225,170
Property tax - special requisition	110,000	110,000	-
Government transfers (note 8)	179,122	275,284	85,184
Fees and sales	110,000	89,533	103,604
Interest income	50,000	54,957	40,196
Other income	-	5,556	2,089
Total revenue	6,790,461	6,876,669	6,522,268
Expenses (note 10):			
Council services	1,149,508	1,104,264	997,420
Local trust committee services	5,314,697	5,147,708	4,879,667
Trust fund services (note 13)	659,876	583,305	623,827
Total expenses	7,124,081	6,835,277	6,500,914
Annual surplus (deficit)	(333,620)	41,392	21,354
Accumulated surplus, beginning of year	2,425,077	2,425,077	2,403,723
Accumulated surplus, end of year	\$ 2,091,457	\$ 2,466,469	\$ 2,425,077

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	Budget (note 9)	2015	2014
Annual surplus (deficit)	\$ (333,620)	\$ 41,392	\$ 21,354
Acquisition of tangible capital assets	-	(30,476)	(18,550)
Acquisition of tangible capital assets through capital lease	-	(5,213)	(39,754)
Amortization of tangible capital assets	65,000	59,406	59,312
Loss on disposal of capital assets	-	-	8,649
	(268,620)	65,109	31,011
Acquisition of prepaid expenses	-	(6,917)	(17,136)
Change in net financial assets	(268,620)	58,192	13,875
Net financial assets, beginning of year	2,257,482	2,257,482	2,243,607
Net financial assets, end of year	\$ 1,988,862	\$ 2,315,674	\$ 2,257,482

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 41,392	\$ 21,354
Items not involving cash:		
Amortization of tangible capital assets	59,406	59,312
Loss on disposal of tangible capital assets	-	8,649
Change in non-cash operating assets and liabilities:		
Accounts receivable	(31,113)	33,291
Wages and benefits payable	64,568	35,095
Accounts payable and accrued liabilities	3,272	(88,284)
Deferred revenue	(632)	(1,733)
Employee benefit obligations	(13,314)	(4,592)
Cost recovery deposits	(6,236)	(5,435)
Prepaid expenses	(6,917)	(17,136)
Net change in cash from operating activities	110,426	40,521
Capital activities:		
Acquisition of tangible capital assets	(30,476)	(18,550)
Investing activities:		
Purchase of Investments	(1,003,156)	-
Financing activities:		
Principal payments on obligations under capital leases	(14,003)	(27,970)
Change in cash and cash equivalents	(937,209)	(5,999)
Cash and cash equivalents, beginning of year	3,696,156	3,702,155
Cash and cash equivalents, end of year	\$ 2,758,947	\$ 3,696,156
Supplemental cash flow information:		
Assets acquired under capital lease	\$ 5,213	\$ 39,754

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2015

Islands Trust (the "Trust") is incorporated under the Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

1. Significant accounting policies:

The financial statements of Islands Trust are prepared by management in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the financial statements.

(i) Consolidated entities:

The Trust does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust:

The Trust administers operations of The Islands Trust Fund. The annual expenses of The Islands Trust Fund are reported by the Trust in accordance with The Islands Trust Act (note 13).

(b) Basis of accounting:

The Trust follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(c) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability under section PS 3200 of public sector accounting standards.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

Tax revenue is recognized on an accrual basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond and Money Market Funds are recorded at cost plus earnings reinvested in the funds. Investment income is reported as revenue in the period earned.

(e) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on restricted funds is added to the investment and forms part of the deferred revenue balance.

(f) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

A gratuity is also available to employees upon retirement. The cost of this benefit is born by the Public Service Pension Plan.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(g) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Trust is directly responsible or accepts responsibility;
- iv) it is expected that future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	5
Computers	3
Leasehold improvements	lesser of remaining term of the lease and useful life

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Trust's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and historical treasures:

Works of art and historical treasures are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The Trust does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

(j) Adoption of new accounting policy:

On April 1, 2014, the Trust adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to April 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Trust.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

2. Cash and cash equivalents:

	2015	2014
Bank account balances	\$ 1,103,436	\$ 457,494
Municipal Finance Authority Bond Fund	68,613	861,744
Municipal Finance Authority Money Market Fund	82,378	2,376,918
Raymond James GIC	1,504,520	-
	<u>\$ 2,758,947</u>	<u>\$ 3,696,156</u>

3. Investments:

Investments consist of a guaranteed investment certificate with a cost that approximates market value. It has a stated interest rate of 1.80% and a maturity date of January 26, 2017.

4. Employee benefit obligations:

The Trust provides sick leave and certain other benefits to its employees and are recorded as follows:

	2015	2014
Vacation pay	\$ 61,954	\$ 67,893
Compensatory time off	19,270	26,645
	<u>\$ 81,224</u>	<u>\$ 94,538</u>

Vacation pay and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout on approved retirement, or upon termination or death.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

4. Employee benefit obligations (continued):

Other pension plans

The Trust and its employees make contributions to the Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 54,000 active members and approximately 42,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The most recent valuation as at March 31, 2014 indicated a surplus of \$392 million for basic pension benefits. The next valuation will be as at March 31, 2017, with results available in 2018. The actuary does not attribute portions of the unfunded liability or surpluses to individual employers. Contributions to the plan by the Trust totaled \$278,097 (2014 - \$283,811) during the year.

5. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2016	\$	14,947
2017		14,947
2018		11,638
2019		9,405
2020 and thereafter		1,762
Total minimum lease payments		52,699
Less amounts representing interest (at rates ranging from 2.25% to 6.25%)		6,224
Present value of net minimum capital lease payments	\$	46,475

Interest of \$1,854 (2014 - \$1,718) relating to capital lease obligations has been included in expenses on the statement of operations.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

6. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2015	Total 2014
Cost:						
Balance, beginning of year	\$ 10,000	\$ 113,063	\$ 174,020	\$ 244,268	\$ 541,351	\$ 528,837
Additions	-	5,213	24,922	5,554	35,689	58,304
Disposals	-	(5,299)	-	-	(5,299)	(45,790)
Balance, end of year	10,000	112,977	198,942	249,822	571,741	541,351
Accumulated amortization:						
Balance, beginning of year	10,000	58,056	137,386	220,587	426,029	403,858
Disposals	-	(5,299)	-	-	(5,299)	(37,141)
Amortization expense	-	15,969	30,111	13,326	59,406	59,312
Balance, end of year	10,000	68,726	167,497	233,913	480,136	426,029
Net book value, end of year	\$ -	\$ 44,251	\$ 31,445	\$ 15,909	\$ 91,605	\$ 115,322

Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. There were no contributed assets received during 2015 or 2014.

In fiscal 1994, the Denman Island Ratepayers' Association donated \$10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school site between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building on the site from the Trust for 99 years for a total fee of \$10.

7. Accumulated surplus:

Accumulated surplus consists of:

	2015	2014
Invested in tangible capital assets	\$ 45,130	\$ 60,057
General Revenue Fund	2,378,358	2,365,020
Special property tax requisition fund	42,981	-
	\$ 2,466,469	\$ 2,425,077

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

8. Government transfers:

Government transfers recorded as revenue on the statement of operations are comprised of:

	2015	2014
Provincial operating grant	\$ 182,770	\$ 85,184
Lasqueti energy project	65,289	-
Salt Spring Island Water Protection Project	19,677	-
Other	7,548	-
	<u>\$ 275,284</u>	<u>\$ 85,184</u>

9. Budget data:

The budget data presented in these financial statements is based upon the 2015 operating budget approved by Trust Council on March 5, 2014. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	\$ 7,059,080
Less appropriation from surplus	(268,619)
	<u>6,790,461</u>
Expenses	7,124,081
Annual deficit	<u>\$ (333,620)</u>

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

10. Classification of expenses by object:

	2015	2014
Staff salaries and benefits	\$ 3,999,500	\$ 3,870,438
Traveling/training and recruitment	179,522	160,699
Council and trustee costs	800,976	785,377
Office operations	902,017	876,356
Programs	478,671	450,526
Legal	302,772	298,206
Elections	112,413	-
Amortization	59,406	59,312
	\$ 6,835,277	\$ 6,500,914

11. Commitments:

Minimum annual lease payments:

The Trust is committed to leases for rented premises. Minimum future payments in the next five years are as follows:

2016	\$ 349,619
2017	220,697
2018	84,448
2019	41,783
2020	41,783

12. Contingent liabilities:

In the normal course of operations, claims for alleged damages are made against the Trust. The Trust records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Trust is covered through an independent insurance program against certain claims.

ISLANDS TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

13. Trust activities:

(i) Trust Fund under administration:

The Trust administers The Islands Trust Fund (the "Fund") which is related through the composition of the Fund's Board. The Fund is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a plan approved by the Ministry of Community, Sport and Cultural Development. The Fund's Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Community, Sport and Cultural Development.

For financial reporting purposes, the Trust and the Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

The Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

	2015	2014
Operations	\$ 433,061	\$ 465,536
Board	17,319	14,082
Property management	132,925	144,209
	<u>\$ 583,305</u>	<u>\$ 623,827</u>

(ii) Third party trust funds:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. The activities are as follows:

	2015	2014
Cash received during the year	\$ 10,409	\$ 10,300
Cash paid during the year	16,645	15,735

The net payable from development applicants of \$3,439 (2014 - \$9,675) is reported as a liability on the statement of financial position.

Financial Statements of

THE ISLANDS TRUST FUND

Year ended March 31, 2015



KPMG LLP
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 800-730 View Street
 Victoria BC V8W 3Y7
 Canada

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INDEPENDENT AUDITORS' REPORT

To the Trustees of the Islands Trust Fund Board, the Trustees of the Islands Trust Council and the Minister of Community, Sport and Cultural Development

We have audited the accompanying financial statements of The Islands Trust Fund, which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, The Islands Trust Fund derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Islands Trust Fund. Therefore, we were not able to determine whether as at March 31, 2015 and for the years ended March 31, 2015 and March 31, 2014, any adjustments might be necessary to revenue and excess of revenue over expenses reported in the statement of operations, statement of cash flows, statement of changes in fund balances and assets and fund balances reporting in the statement of financial position as at March 31, 2015 and fund balances reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended March 31, 2014.



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Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Islands Trust Fund as at March 31, 2015, its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

July 20, 2015
Victoria, Canada

THE ISLANDS TRUST FUND

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2015 Total	2014 Total (Schedule 1)
Assets:						
Current assets:						
Cash	\$ 31,510	\$ 219,213	\$ -	\$ -	\$ 250,723	\$ 126,781
Short-term investments (note 2)	-	158,653	-	88,000	246,653	292,726
Inventory of fundraising items	1,785	-	-	-	1,785	2,228
	33,295	377,866	-	88,000	499,161	421,735
Investments (note 3)	-	60,212	-	-	60,212	-
Land (notes 4 and 6)	-	-	7,073,903	5,396,601	12,470,504	12,047,903
	\$ 33,295	\$ 438,078	\$ 7,073,903	\$ 5,484,601	\$ 13,029,877	\$ 12,469,638
Liabilities:						
Current liabilities:						
Accounts payable	\$ -	\$ 1,024	\$ -	\$ -	\$ 1,024	\$ -
Fund Balances						
Unrestricted	33,295	-	-	-	33,295	34,056
Investment in land (note 4)	-	-	7,073,903	-	7,073,903	7,073,903
Internally restricted (note 5)	-	32,697	-	-	32,697	16,160
Externally restricted (note 5)	-	404,357	-	-	404,357	283,519
Restricted for endowment purposes (note 6)	-	-	-	5,484,601	5,484,601	5,062,000
	33,295	437,054	7,073,903	5,484,601	13,028,853	12,469,638
	\$ 33,295	\$ 438,078	\$ 7,073,903	\$ 5,484,601	\$ 13,029,877	\$ 12,469,638

The accompanying notes are an integral part of these financial statements.

Approved by the Trust Fund Board:

Tony Lau

Board member

[Signature]

Board member

THE ISLANDS TRUST FUND

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2015 Total	2014 Total
						(Schedule 2)
Revenue:						
Donations:						
Cash	\$ 2,805	\$ 134,605	\$ -	\$ -	\$ 137,410	\$ 30,422
Land	-	-	-	401,040	401,040	427,000
Grants	-	3,758	-	-	3,758	3,416
Rental income	-	10,200	-	-	10,200	10,200
Investment income	87	15,796	-	-	15,883	17,524
Sale of fundraising items	613	-	-	-	613	126
	3,505	164,359	-	401,040	568,904	488,688
Expenses:						
Repairs and maintenance - Alton property	-	5,423	-	-	5,423	126
Cost of sales of fundraising items	443	-	-	-	443	60
Bank charges	23	-	-	-	23	109
Donations to conservancy groups	3,800	-	-	-	3,800	19,300
	4,266	5,423	-	-	9,689	19,595
Excess (deficiency) of revenue over expenses	\$ (761)	\$ 158,936	\$ -	\$ 401,040	\$ 559,215	\$ 469,093

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST FUND

Statement of Changes in Fund Balances

Year ended March 31, 2015, with comparative information for 2014

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2013	\$ 43,900	\$ 247,742	\$ 6,856,903	\$ 4,852,000	\$ 12,000,545
Excess (deficiency) of revenue over expenses	(9,844)	51,937	217,000	210,000	469,093
Fund balances, March 31, 2014	34,056	299,679	7,073,903	5,062,000	12,469,638
Excess (deficiency) of revenue over expenses	(761)	158,936	-	401,040	559,215
Interfund transfer (note 7)	-	(21,561)	-	21,561	-
Fund balances, March 31, 2015	\$ 33,295	\$ 437,054	\$ 7,073,903	\$ 5,484,601	\$ 13,028,853

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST FUND

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 559,215	\$ 469,093
Item not involving cash:		
Donation of land	(401,040)	(427,000)
Changes in non-cash operating working capital:		
Inventory of fundraising items	443	60
Accounts payable	1,024	-
	159,642	42,153
Capital activities:		
Cash paid to acquire land	(21,561)	-
Investing activities:		
Decrease (increase) in short-term investments	47,536	(17,229)
Increase in long-term investments	(61,675)	-
	(14,139)	(17,229)
Increase in cash	123,942	24,924
Cash, beginning of year	126,781	101,857
Cash, end of year	\$ 250,723	\$ 126,781

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the "Trust Fund") is also incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Community, Sport and Cultural Development.

The Trust Fund is administered by the Trust and for financial reporting purposes, the Trust and the Trust Fund are reported on separately. The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Fund.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

(a) Fund accounting:

The Trust Fund follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Fund's capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. During the years presented, there are no unrealized gains and losses, and as a result, no statement of remeasurement gains and losses has been included in these financial statements. All investments held by the Trust Fund are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(e) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Trust is directly responsible or accepts responsibility;
- iv) it is expected that future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Significant estimates include assumptions used in estimating the fair value of contributed land at the date of contribution. Actual results could differ from those estimates.

(g) Comparative figures:

Certain comparative information has been reclassified to conform with the financial statement presentation for the current year.

(h) Adoption of new accounting policy:

On April 1, 2014, the Trust Fund adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to April 1, 2013 and did not result in any adjustments to financial liabilities, land or fund balances of the Trust Fund.

2. Short-term investments:

Short-term investments consist of an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia ("MFA") Bond and Money Market Funds. Investments in MFA Funds are recorded at cost plus earnings reinvested in the funds.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

3. Investments:

Investments consist of a guaranteed investment certificate that matures on April 16, 2019. It has an interest rate of 2.55%.

4. Land:

	Acquisition date	2015	2014
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
Elder Cedar Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
DL 58 Nature Reserve, Galiano Island	2014	217,000	217,000
		\$ 7,073,903	\$ 7,073,903

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

5. Restricted Fund balances:

	2015	2014
Internally restricted:		
McFadden property	\$ 32,697	\$ 16,160
Externally restricted:		
Alton Nature Reserve - maintenance fund	80,115	62,145
Morrison Fund	20,046	20,000
Covenant Defense Fund	62,617	60,974
Lasqueti Acquisition Funds	31,761	30,875
Gambier Acquisition Fund	113,602	109,525
Thetis Island Acquisition Fund	96,216	-
	404,357	283,519
	\$ 437,054	\$ 299,679

The Covenant Defense Fund was previously named the Marilyn King – Covenant protection endowment.

6. Restricted for endowment purposes:

	Acquisition date	2015	2014
Short-term investments:			
Alton Nature Reserve - maintenance	2002	\$ 88,000	\$ 88,000
Land:			
Lindsay Dickson Nature Reserve, Denman Island	2001	2,200,000	2,200,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
McFadden Creek Nature Sanctuary, Salt Spring Island	2015	422,601	-
Properties acquired under the Federal Government Ecological Gifts program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
		5,396,601	4,974,000
Total restricted for endowment purposes		\$ 5,484,601	\$ 5,062,000

Investment gains on endowment funds for the year of \$9,352 (2014 - \$14,064) have been recorded in the Restricted Fund.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

6. Restricted for endowment purposes (continued):

Two properties owned by the Trust Fund Board, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated "for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.". The Alton property is to be held, managed and preserved for its ecological environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In 2015, the McFadden Creek Nature Sanctuary on Salt Spring Island was donated on the condition that the property was to be protected, preserved and maintained in its natural state.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve and the McFadden Creek Nature Sanctuary, and to the Executors of the donor's estate in the case of the Alton Nature Reserve.

Certain properties as listed in the preceding table were acquired under the Federal Government Ecological Gift program. Recipients of ecological gifts are responsible for maintaining the biodiversity and environmental heritage values of the property in perpetuity.

7. Interfund transfer:

During the year, an interfund transfer of \$21,561 (2014 – nil) from the Restricted Fund to the Endowment Fund was made, representing cash paid to acquire the McFadden Creek Nature Sanctuary Land.

8. Related party:

The Trust is related to the Trust Fund through the composition of the Trust Fund's Board. The Trust Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Community, Sport and Cultural Development.

The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2015	2014
Operations	\$ 433,061	\$ 465,536
Board	17,319	14,082
Property management	132,925	144,701
	<u>\$ 583,305</u>	<u>\$ 624,319</u>

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2015

9. Financial risks and concentration of risk:

The Trust Fund's financial instruments consist of cash, short-term investments and accounts payable. It is management's opinion that the Trust Fund is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2015 is the carrying value of cash and short-term investments. The Trust Fund deals with creditworthy counterparties to mitigate credit risk. The Trust Fund manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

THE ISLANDS TRUST FUND

Statement of Financial Position

March 31, 2014

Schedule 1

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2014 Total
Assets:					
Current assets:					
Cash	\$ 31,828	\$ 94,953	\$ -	\$ -	\$ 126,781
Short-term investments	-	204,726	-	88,000	292,726
Inventory of fundraising items	2,228	-	-	-	2,228
	34,056	299,679	-	88,000	421,735
Land (notes 3 and 5)	-	-	7,073,903	4,974,000	12,047,903
	\$ 34,056	\$ 299,679	\$ 7,073,903	\$ 5,062,000	\$ 12,469,638
Fund Balances					
Unrestricted	\$ 34,056	\$ -	\$ -	\$ -	\$ 34,056
Investment in land (note 3)	-	-	7,073,903	-	7,073,903
Internally restricted (note 4)	-	16,160	-	-	16,160
Externally restricted (note 4)	-	283,519	-	-	283,519
Restricted for endowment purposes (note 5)	-	-	-	5,062,000	5,062,000
	\$ 34,056	\$ 299,679	\$ 7,073,903	\$ 5,062,000	\$ 12,469,638

THE ISLANDS TRUST FUND

Statement of Operations

Year ended March 31, 2014

Schedule 2

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2014 Total
Revenue:					
Donations:					
Cash	\$ 9,351	\$ 21,071	\$ -	\$ -	\$ 30,422
Land	-	-	217,000	210,000	427,000
Grants	-	3,416	-	-	3,416
Rental income	-	10,200	-	-	10,200
Investment income	119	17,405	-	-	17,524
Sale of fundraising items	126	-	-	-	126
	9,596	52,092	217,000	210,000	488,688
Expenses:					
Repairs and maintenance - Alton property	-	126	-	-	126
Cost of sales of fundraising items	60	-	-	-	60
Bank charges	80	29	-	-	109
Donations to conservancy groups	19,300	-	-	-	19,300
	19,440	155	-	-	19,595
Excess (deficiency) of revenue over expenses	\$ (9,844)	\$ 51,937	\$ 217,000	\$ 210,000	\$ 469,093

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ISLANDS TRUST FUND



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